

USAID/JORDAN

**Results Review
and
Resources Request**

April 1997

Date: March 24, 1997

MEMORANDUM

TO: See Distribution (attached)

FROM: James Stephenson, ANE/MEA

SUBJECT: Agency Review of the *Jordan Mission R-4* Document

The *Jordan* Results and Resource Request (R4) document is attached. Please review the document, and coordinate the submission of your comments with the following ANE staff who will assemble the draft Reporting cable, including any issues. As last year, ANE technical staff will schedule times for counterparts in other offices and bureaus to meet and discuss the technical aspects of the R4s, obtain clarifications from the field, and prepare draft performance summary statements.

Carol Becker, ANE/SEA/SPA	for PHN, Democracy/Governance, Environment, Human Capacity, and Humanitarian Assistance Strategic Objectives (SOs) and Special Objectives (SPOs)
Gregg Baker, ANE/SEA/EA	for Economic Growth SOs and SPOs
James Stephenson, ANE/MEA or Pirie Gall, ANE/ORA	for program issues that cross cut SOs, such as resource and policy implications, WID, trade-offs, and cross-SO synergies

FRAMEWORK FOR R4 REVIEW AND ISSUES

As presented in ANE's R4 guidance, we are attempting to tighten and focus the program review around the following question: "***Does the current performance trend, as reflected by the progress toward Strategic Objective and key intermediate results, give reasonable assurance that (a) the strategic objective and/or (b) the overall program results will be achieved as planned?***" Thus, relevant R4 issues will be those where the best judgment of the reviewers is that the program and/or SO (or SpO) performance is not on-track and not likely to achieve agreed upon results. Instances where progress meets or exceeds expectations should be identified for incorporation in SO (or SpO) performance summaries, and overall program assessment.

Other valid concerns and questions that do not affect the ability of an operating unit and its Washington partners to achieve the SO are not R4 issues. These issues are to be addressed in other fora.

In last year's review, many of comments, concerns, and requests for clarification pertained to the approach operating units were following. The appropriateness of a strategic approach is not an issue unless performance problems are of such severity that they challenge the major underlying strategic assumptions, and will not permit the objective to be achieved.

MEETING SCHEDULES

	Date	Place	Time
EG	April 15	500 SA-2	1-3pm
ENV	April 16	522 SA-18	10-12pm
PHN	April 16	1013 SA-18	1-3pm
Resource	April 17	3313A NS	9-11am
Country Review Meeting	April 30	3524 NS	2-4pm

Technical review groups (teams) will convene by sector, roughly two weeks prior to the Country Review Meeting. Teams are charged with: (1) assessing SO performance and preparing SO performance summaries; (2) obtaining additional information/(clarifications from operating units, if needed to complete assessment of an SO and overall program performance; (3) narrowing issues to those that challenge the continued viability of an SO and/or the overall program; and (4) providing suggested resolution(s) for problems. A separate session will be held to identify any cross-cutting issues.

To avoid deluging field units with numerous information requests, technical review teams are to speak with one voice and thus only send messages coordinated as a group through the group leader. The sector team leaders will forward team findings to James Stephenson, ANE/MEA, Room 3214-NS or Pirie Gall, ANE/ORA, Room 3313-NS. This feedback -- together with non-sector-specific, cross-cutting issues -- forms the basis for the draft reporting cable to be drafted by the Desk.

The draft reporting cable will be sent to operating units and Washington reviewers at least seven (7) working days prior to the Program Review Meeting. Operating units will have four (4) working days to respond. The operating unit response will be distributed to Washington reviewers upon receipt. The draft cable and the operating unit's response will be considered during the Program Review Meeting.

During this meeting, participants will try to reach agreement on the continued validity of the management contract, and what recommendations to include in the final reporting cable. Therefore, we ask that reviewing office representatives at the Program Review Meeting be: (1) prepared to discuss and resolve issues during the course of the Program Review Meeting; and (2) empowered to agree on positions for the reporting cable. The Desk officer will prepare the final reporting cable.

A more detailed discussion on ANE's R4 Submission and Review Procedures is available upon request. Contact ANE/SEA/RPM, Charlotte Suggs or Deborah Johnson to obtain a copy. ANE/SEA/RPM Richard Whitaker is the contact person for the review schedule for all the reviews.

Attachment:

1996 Action Agenda
1996 R-4 Review Agreements for Jordan
1997 R-4 Document

USAID/Jordan

**FY 1999 Results Review and Resource Request
(R4)**

March 22, 1997

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Part I: Program Performance Overview

A politically stable and economically secure Jordan is pivotal to achieving U.S. foreign policy objectives in the Middle East. During the past year, USAID made notable contributions in support of these goals. The Mission's strategic focus on improving water resource management, improving family planning practices, and strengthening economic growth covers the three areas most vital to Jordan's future growth and prosperity. Collectively, these objectives constitute a sound development approach that will continue to deliver results.

Recent domestic problems associated with ongoing economic reforms focus renewed attention on Jordan's continued ability to play its unique role in the region's quest for peace. Two years after the historic Jordanian-Israeli Peace Agreement, Jordanian expectations of greater regional stability and heightened economic integration have largely been unmet. Income disparities continue to widen, price increases have provoked public demonstrations this past year, and rising unemployment reinforces a sense of economic insecurity.

These unfilled expectations, combined with other changes in Jordan's development environment, prompted the Mission to develop creative initiatives that, while remaining within the existing strategic framework, more directly address issues of critical development concern. These include a new "Economic Opportunities" Strategic Objective, replacing the former objective focused on tourism; new emphasis on policy reform to ensure financial sustainability in the health and water sector; greater emphasis on promoting synergies among the water, population and economic growth sectors; and increased attention to gender issues.

Water: Water scarcity remains the single most critical factor affecting Jordan's chances for sustainable economic growth. The continued availability of sustainable quantities of water is even more problematic when seen in light of Jordan's burgeoning population growth. As one of the largest bilateral donors in the water sector, USAID leads the donor community in seeking innovative and collaborative solutions to Jordan's water constraints.

Completion of the \$12 million emergency improvement program at the As-Samra Wastewater Treatment Plant in 1996 represents one important step toward achieving USAID's "Improved Water Resource Management" Strategic Objective. This activity is improving the quality of irrigation water and protecting the environment by treating wastewater to WHO standards for unrestricted agricultural use. The As-Samra facility now treats 80 percent of Jordan's wastewater, including that generated by the 2.5 million people living in Greater Amman.

USAID's interventions in water also earned a significant return on investment. A \$350,000 assessment to improve irrigation water quality from the Zarqa River leveraged a \$7 million Arab Bank construction loan. Similarly, a \$1 million wastewater treatment design for the Wadi Mousa area--which includes Petra, a World Heritage Site--leveraged more than \$5 million in additional donor funds to finance construction of a new water system.

These successes, combined with other donor initiatives, encouraged the Ministry of Water and Irrigation ("the Ministry") to begin considering difficult yet important policy reforms. Recently, the Ministry asked USAID to help address key water cost and tariff issues. Water prices are now heavily subsidized, leading to inefficient water use and discouraging cooperation among

Government of Jordan (GOJ) managing authorities. Following extensive discussions between the Ministry and ANE's FORWARD representatives, USAID will provide technical assistance to develop water tariff options based on the true cost of water, water quality, reliability, and other relevant (but often neglected) factors.

Effective data management is essential to negotiate future water agreements. USAID has already helped improve the Ministry's ability to monitor, collect, and analyze water data. The close links between Jordan's water supply and those of neighboring Syria and Israel reinforce the need for these types of activities. Donor coordination is key for promoting policy reform and for encouraging more effective approaches to regional water management.

Population: USAID's "Increased Practice of Family Planning, with an Emphasis on Modern Methods" Strategic Objective recorded important progress over the last year. The ultimate goal is to reduce Jordan's 3.7 percent population growth rate, which remains one of the highest in the world. Scarce water resources and increasing demands for economic opportunities (some 15 percent of the population is poised to enter the workforce within the next five years) lends added urgency to responding effectively to population growth concerns.

USAID, the leading donor in family planning, helped the Ministry of Health ("the Ministry") increase the modern contraceptive prevalence rate from 27 percent in 1990 to 38.8 percent in 1996, putting the country close to reaching its 41.5 percent target by the year 2000. The landmark passage of the National Population Strategy in March 1996, prepared with USAID assistance, demonstrates GOJ recognition that rapid population growth is adversely affecting Jordan's future development prospects. Adoption of a National Population Strategy in Jordan is a notable achievement, given long-standing religious and cultural forces that traditionally have had a conservative influence.

With the strategy in place, USAID helped introduce innovative, new techniques to deliver family planning messages. For example, last fall USAID worked with the Ministry and the private sector to develop and televise a series of three method-specific family planning "infomercials". These infomercials, aired for the past five months during prime-time viewing hours at no cost to USAID and with no adverse public reaction, have proven to be highly effective in communicating modern family planning methods nationally.

USAID also moved closer to achieving its two Intermediate Results in improving family planning services and ensuring comprehensive post-partum care. For example, USAID trained more than 1,000 public and private sector doctors, nurses, pharmacists and family planning counselors. In cooperation with local NGOs, USAID also helped establish an additional five family planning clinics which use quality assurance protocols to ensure client satisfaction.

Although 80 percent of all mothers give birth in a hospital, only six percent return for postpartum care. This year, USAID and the Ministry established postpartum family planning services in the 12 hospitals where most births occur. These services are now available in 10 of Jordan's 12 governates; remaining governates will gain access this year. USAID also introduced a curriculum for family planning and maternal child health training.

As the environment for a national family health care system becomes more open, the cost associated with sustaining such a system is becoming key. Historically, the GOJ has borne a disproportionate share of the financial burden. USAID demonstration activities show that Jordan's new NGO family planning/reproductive health service centers can move toward financial sustainability and be models for developing new cost-recovery initiatives. The MOJ has requested assistance in both areas. Given the higher standards of service available and the rising demand for these services, USAID is adding a new Intermediate Result aimed at promoting health policy reforms aimed at ensuring sustainability.

Economic Opportunity: In September 1996, USAID eliminated its ongoing economic growth Strategic Objective, "Increased Foreign Exchange Earnings from Culture and Nature Visitors". The objective had been developed in the wake of the 1994 peace accord with Israel, when Jordan expected its "peace dividend" to result in substantial growth in tourism. Although progress was made in achieving two Intermediate Results, the inability to achieve the critical third Intermediate Result was USAID's impetus for withdrawing from the sector.

From USAID's perspective, a key problem was the Ministry of Tourism and Antiquities' reluctance to share a crucial marketing role with Jordan's dynamic private sector. After more than a year of protracted negotiations regarding the establishment, composition and role of an effective Jordan Tourism Board, USAID realized that the conditions necessary for achieving the objective did not exist. It therefore recommended closing the Strategic Objective and replacing it with one focused on economic opportunity. ANE's concurrence to withdraw from the tourism sector was provided in October 1996 (State 222985).

Jordan's importance to the ongoing support for the Middle East peace process remains significant. King Hussein's visit to Washington in October 1996 and to Gaza in January 1997 were especially important in restarting the stalled peace process and concluding the successful Hebron agreement. At the same time, Jordan is adhering to a difficult process of economic restructuring. Prices for basic commodities have increased at a time when unemployment rates are officially estimated at 15 percent and unofficially believed to be much higher. Not surprisingly, growing income disparities combined with a perceived lack of economic opportunity are increasingly seen as threats to Jordan's participation in the peace process as well as its ongoing program of economic reform.

A new Strategic Objective aimed at increasing economic opportunities is presented for ANE review and approval in this R4. Intermediate Results will focus on increasing access to financial services for small and micro enterprise and ensuring more effective implementation of new trade and investment reforms. The aim is to ensure greater equity and access to economic actors who heretofore have largely been bystanders in the economic reform process. The new Strategic Objective is based on a combination of analytical work and ongoing discussions with the GOJ and other donors, especially the World Bank. This work makes a strong case for increased economic opportunity becoming the third pillar of USAID's foreign assistance program in Jordan through the year 2000 and beyond.

Part II: Progress Toward Achieving USAID/Jordan Strategic Objectives

Strategic Objective 1: Increased Foreign Exchange Earnings from and Nature Visitors

Cultural

The Mission's "Increased Foreign Exchange Earnings from Culture and Nature Visitors" Strategic Objective is being closed out and replaced by a new Strategic Objective that more directly addresses economic opportunity concerns. The close-out, approved by Washington in October 1996 (State 222985), stems from two main concerns. First, despite lengthy dialogue with the GOJ, efforts to ensure greater private sector involvement in the tourist sector proved unsuccessful. Second, over time it became apparent that the Strategic Objective, as formulated, marginalized the Mission in terms of its ability to deal with the most fundamental economic issues facing Jordan.

Although this Strategic Objective will not appear in future USAID programming documents, it is useful to summarize what was accomplished during the period in which the objective remained operative. It should also be emphasized that, to the extent possible, the Strategic Objective is being closed out in a way that maximizes benefit from past investments and ensures synergy with the Strategic Objective relating to water.

The initial Strategic Objective incorporated four Intermediate Results, namely (a) site development at key tourist spots; (b) ensuring benefits for local populations living adjacent to these spots; (c) increasing the number of tourists visiting Jordan; and (d) promoting a favorable policy environment for developing the tourist sector. Taken together, these four results should have increased foreign exchange earnings, especially in light of the greater tourist traffic anticipated following the 1994 peace accord with Israel.

Steady progress has been made on site development at Petra, Madaba and the Amman citadel, representing some of the premiere tourist spots in the region. Such development has important spin-off effects, not only in terms of increasing tourist traffic but also in developing small businesses and providing employment for local populations in areas close to tourist sites. USAID helped fund development plans and design activities at all three sites; other donors or the GOJ may fund actual development, based on these plans. Also, a modest USAID endowment for the American Center for Oriental Research (ACOR) will support tourism development and help preserve Jordan's cultural and historical heritage. Finally, USAID and GOJ agreed to construct an essential wastewater treatment plant at Petra, an activity that is being moved to the Strategic Objective on water.

The decision to close this Strategic Objective is due in part to protracted and ultimately unsuccessful discussions with the Ministry of Tourism and Antiquities on the role and mandate of the Jordanian Tourism Board (JTB). USAID attempted to convince the Ministry of the importance of a large and expanding private sector role, both on the JTB board and in promoting tourism. The Ministry was not interested in either sharing a role with the private sector or in the kind of far-reaching changes anticipated by USAID. This cast serious doubt on our ability to achieve the Strategic Objective in the time period specified and resulted in the decision to withdraw from the sector entirely.

Strategic Objective 2: Improved Water Resources Management

Water is the single most critical natural resource in Jordan. Water scarcity will result in a national crisis unless significant new measures are taken. Annual water demand is projected to increase to 1.6 billion cubic meters annually by the year 2000, almost double the 900 million cubic meters now available. Long-term solutions are likely to involve a combination of new supplies and reduced population growth. Over the short-term, the gap can only be narrowed by improved water supply management and increased water use efficiency.

Improvements in Strategic Objective Two Based Upon the 1996 R4 Review

The March 1996 R4 agreement (State 60395) requested that the Mission reexamine its indicators under this Strategic Objective to ensure that "(a) [the indicators] are the most effective measures to use; (b) targets are realizable; and (c) performance data collection is practicable." The cable also cited a "disconnect between what USAID/Jordan is actually doing with its program and what is conveyed by Strategic Objective 2 and its indicators."

Over the past year, the Mission worked closely with ANE and Global to improve the Strategic Objective and the performance monitoring plan. Visits to Jordan by ANE/SEA and G/ENV staff in September and December 1996 as well as continuous e-mail communication were essential to this process.

The performance analysis which follows is based on the modified Strategic Objective, its Intermediate Results, and the new Performance Monitoring Plan. The latter makes reference to indicators used in last year's R4 presentation as well as indicators appearing in the revised monitoring plan. Details on the changes are provided in Annex F.

Strategic Objective-Level Performance

The Mission made significant progress toward achieving its "Improved Water Resources Management" Strategic Objective. Most notably, the Ministry of Water and Irrigation ("the Ministry") took bold steps in 1996 toward adopting modern water resources management strategies. It now plans to introduce private sector management for greater Amman's water and wastewater services, including operational, financial and administrative aspects.

During the last year, the Mission also secured Ministry interest in using the ANE's FORWARD activity to help forge GOJ consensus on key water policy issues and move the Ministry toward fiscal autonomy. These sensitive yet crucial issues include defining efficiency; determining who should bear the costs of service delivery inefficiencies; developing tariff structures sensitive to factors such as variations in water quality; and identifying legislative changes needed to allow greater private sector participation and commercialization. FORWARD's consensus-building methodologies will bring important policy issues to the fore and should lead to more effective water policies.

The Ministry used several USAID-funded engineering designs to leverage additional donor funds. For example, in 1996 USAID completed a feasibility study for the Zarqa River conveyance system. The intent was to divert saline springs away from the main source of irrigation water in

the middle Jordan Valley. USAID's \$350,000 investment resulted in a commitment on the part of the Arab Fund for \$7 million to construct the conveyance system (Indicator 2.3). Diverting the saline springs will reduce the salinity of 35 million cubic meters of irrigation quality water annually, improving agricultural production.

In Wadi Mousa, serving the Petra World Heritage site, USAID funded the design of an expanded water system and a wastewater collection, treatment, and reuse system. The GOJ and France are providing \$8 million and \$5 million in construction funds, respectively. Thus USAID's \$1.2 million design leveraged \$13 million from other sources. USAID will use remaining funds under the former tourism Strategic Objective to fully fund and construct the wastewater system, thereby helping to preserve Petra, Jordan's premier tourist attraction.

Intermediate Result 1: Stronger Water Sector Institutions

This Intermediate Result was formerly phrased as "Improved Water Resources Management." Since improved water resources management more accurately characterizes USAID's entire water program, the objective has been reformulated as "Improved Water Resources Management" and the Intermediate Result as "Stronger Water Sector Institutions."

Results exceeded expectations in 1996. In a year-long cooperative effort, the Ministry adopted a policy framework developed under USAID's WQIC activity (Indicator 2.1.4). The framework contains 22 policy statements on pricing, allocation, environmental protection, and other difficult issues. By adopting this framework, the Ministry positioned itself to aggressively pursue difficult yet key policy reform initiatives in these and other areas.

The Ministry also made significant progress in unifying conflicting water management databases maintained by three entities under its aegis, namely the Water Authority of Jordan (WAJ), the Jordan Valley Authority (JVA), and the Ministry itself. USAID and other donors convinced the Ministry to form a central data management unit, hire qualified staff, and design a unified management information system (MIS) accessible to all three entities.

These commitments are important in ensuring completion of the water data management system developed with GTZ and UNDP cooperation. The USAID-funded MIS system has been designed, 24 water quality monitoring stations installed and an additional 35 monitoring stations rehabilitated. Eighty Ministry staff now have daily access to the computer network. Extensive monitoring plans for ten surface water and 14 groundwater basins have also been developed and adopted. Taken together, these improvements markedly increase the Ministry's access to quality information and do much to facilitate rational, well-informed decision-making on the management of Jordan's scarce water resources (Indicator 2.1.1).

The Jordan Environment Society (JES) continues to expand. JES met its target of a 20 percent increase in the number of people receiving information on water conservation and scarcity issues. Since 1994, membership has doubled from 3,000 to 6,000. Interest outside of Amman also increased as the number of branches grew from 12 to 20. USAID extended the JES grant until 1999 to help JES develop a sustainable water awareness strategy through fundraising, cost-sharing and private sector participation and other mechanisms.

Intermediate Result 2: Increased Technical Efficiency in Use of Water Resources

This Intermediate Result was formerly phrased as "Increased Efficiency in Use of Water Resources." Adding the word "technical" clarifies the fact that, in this case, USAID is focusing on technical rather than economic efficiency. Progress toward achieving the Intermediate Result has been slower than expected. Major activities were initiated in early 1996 when USAID trained JVA staff to work on result-related activities, only to have them reassigned to other units. More recently, in response to USAID insistence, new staff has been assigned and senior JVA and Ministry management have renewed their commitment to the Intermediate Result.

Activities focus on increasing on-farm water use efficiency by creating an Irrigation Advisory Service (IAS) and by testing a new on-demand delivery system. The existing rotational system is technologically inappropriate and inefficient when used with modern trickle irrigation systems and needs to be changed. One farmer decreased water use by 50 to 70 percent, depending on the crop. Use of modern technologies is steadily increasing (Indicator 2.2.2) and should lead to greater efficiencies, a trend that can be verified by surveys anticipated later in the year. In addition, the Global Bureau's University Linkages Program has greatly increased the ability of the University of Jordan's Water and Environment Research and Studies Center (WERSC) to conduct applied research and collect and analyze information. The center is integral to USAID's efforts to help increase water use efficiency.

Donor coordination is excellent. USAID's on-going testing of an on-demand delivery system has been invigorated by the recent arrival of a GTZ-funded advisor. In addition, the World Bank relied in part on USAID's baseline water use and water users association studies to establish a pilot Participatory Irrigation Management (PIM) system in the Jordan Valley. The World Bank is also discussing the possibility of a major project on water resource management in the Jordan Valley. Finally, the University of Jordan's WERSC, with French assistance, is working to improve on-farm water use efficiency, in this case selecting farmers from among those included in the 1995 USAID baseline survey.

Intermediate Result 3: Improved Quality of Wastewater

This Intermediate Result was formerly formulated as "Increased Quantity of Water and Improved Quality of Wastewater Produced by Khirbet As-Samra and Wadi Mousa." The Mission removed references to specific locations, broadening the scope to pursue other relevant wastewater-related activities in other parts of Jordan.

Completion of emergency improvements in the As-Samra wastewater treatment plant constitutes one FY1997 target that has already been met. The improvements were completed two months ahead of schedule. Early reports suggest that desludging at the anaerobic ponds has already reduced Biochemical Oxygen Demand (BOD). With regard to Wadi Mousa, USAID-designed tender documents for constructing the water and wastewater systems will be issued in April and construction will begin in September.

With regard to Indicator 2.3.3, Germany has agreed to provide \$75 million to help implement the Greater Amman Wastewater Master Plan. Their effort will focus on constructing an additional conveyance pipeline to the As-Samra plant as well as improving and expanding the

headworks/septage receiving station. The World Bank has also indicated an interest in providing additional financing. The GOJ is considering a build-own-operate (BOO) or build-own-transfer (BOT) scheme to obtain private sector funding for the Master Plan's wastewater treatment facilities. The USAID-funded Master Plan is scheduled to be completed by July 1997 and should lead to firmer commitments by other donors.

Expected Progress Through 1999 and Management Actions

The Mission anticipates accelerated progress in achieving the Strategic Objective during the coming year. The improved As-Samra wastewater treatment plant will be producing water that meets World Health Organization (WHO) health standards for unrestricted irrigation use. The Greater Amman Wastewater Master Plan will be completed and donor financing obtained for its major components. The FORWARD activity will facilitate Ministry efforts to conclude agreements on critical water policy issues that currently impede progress towards achieving fiscal autonomy and cost recovery. The water resources information management system will be nearly complete. With the JVA's renewed commitment to the Irrigation Advisory Service, technical efficiency of irrigation is expected to measurably increase.

These achievements should result in measurable improvements in water resource management and attainment of the Strategic Objective by 1999. Nevertheless, it is important to emphasize that water management improvement is a continuous process, especially in a country such as Jordan where water will always be in scarce supply. It is also an important regional issue with strong links to the Middle East peace process. Depending on how the peace process develops, additional USAID support may be merited in 1999 and beyond.

Management Actions

The Mission is exploring ways to assist Jordan in dealing with regional water concerns, especially as they relate to the peace process. These activities, once developed, could comprise a new Intermediate Result and Results Package notionally entitled, "Increased Benefits in the Water Sector from Regional Peace."

The list of possible activities is long and includes such items as increased water storage capacity and expanded wastewater treatment and reuse systems. Working closely with Washington, the Mission will narrow this list of potential activities, assess prospects for funding, and make a determination on the feasibility of presenting a new Intermediate Result. If feasible, the Mission anticipates developing limited activities that would be consistent with and reinforce the existing Strategic Objective. If the Mission's internal review of this new Intermediate Result is positive, we anticipate submitting a plan for ANE review and approval by late spring or early summer 1997.

The Mission continues to work closely with stakeholders in achieving the Strategic Objective. Recent feedback from senior Ministry officials has been positive. In recognition of the effectiveness of the assistance being provided, the Ministry requested that the Development Alternatives, Inc. contract (under which most technical assistance activities are being provided) be extended an additional nine months. Similarly, JVA's Secretary General recently stated that FORWARD's activity to help determine the real costs of water and its relation to fiscal autonomy

is the Ministry's most important issue. Municipal officials and residents around the As-Samra treatment plant frequently express appreciation for their inclusion at key stages of the Greater Amman Wastewater Master Plan development process.

Finally, the Mission's excellent working relationship with the Minister and Secretary Generals--when combined with the Strategic Objective's strong performance in 1996--suggest that USAID is using its modest funding resources to make a valuable and widely appreciated contribution toward Jordan's critical water sector.

OBJECTIVE: Improved Water Resources Management APPROVED: xx/xx/xx COUNTRY/ORGANIZATION: USAID/Amman			
RESULT NAME: (SO Level)			
INDICATOR: 2.3 Number of USAID-funded technical assistance activities leveraged into infrastructure financing by the GOJ, other donors, multilateral lending institutions, or the private sector.			
UNIT OF MEASURE: Number of studies (cumulative) SOURCE: Discussions with donors, multilateral lending institutions, GOJ Ministries of Planning and Finance. INDICATOR DESCRIPTION: Number of planning or design activities which donors, multilateral lending institutions, the private sector, and/or the GOJ firmly commit to fund the implementation of, orally or in writing. COMMENTS: In the case of the Greater Amman wastewater master plan, each component of the plan is considered one unit for funding purposes, resulting in five TA activities for funding (i.e. collection system, conveyance system, two treatment plants, and expansion of the Ain Ghazal headworks). The conveyance system and Ain Ghazal headworks expansion TA activities (i.e. an emergency upgrade design and feasibility study, funded by USAID) actually occurred prior to the greater Amman master plan activity, but are counted here, because these are important elements of the master plan. The preliminary engineering and environmental assessment for the conveyance system to separate saline springs from the irrigation water supply (Zarqa River) leveraged \$350,000 in USAID funds into \$7 million in construction from the Arab Fund. The engineering design and environmental assessment for the Wadi Mousa water system leveraged \$1 million in USAID funds into \$13 million in construction funds from the GOJ and other donors. ++: WQIC MIS design report of 1995 was used by KFW to upgrade computer operations for King Abdullah Canal, by JVA to upgrade all Amman offices (CIP funds) and by WAJ to upgrade a portion of their system (CIP funds). Critical Assumptions: GOJ, other donors, multilateral lending institutions, private parties are willing to make the necessary investments in the water sector.	YEAR	PLANNED	ACTUAL
	1995	0	2 (conveyance system and Ain Ghazal headworks expansion)
	1996	1	2++ (Conveyance system to divert saline springs from Zarqa River; Wadi Mousa water system)
	1997	3	
	1998	4	
	1999	5	

OBJECTIVE: Improved Water Resources Management APPROVED: xx/xx/xx COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: 2.1 Stronger Water Sector Institutions			
INDICATOR: 2.1.1 Water Resources Information System Development Index			
UNIT OF MEASURE: Index points SOURCE: Ministry of Water and Irrigation records and contractor (DAI) quarterly reports. INDICATOR DESCRIPTION: The Index measures progress towards a fully functional water resources data management system. Each item counts as one point. Definitions of "designed", "operational", "upgraded", "trained", etc. can be obtained from the [anticipated] DAI SOW modification. a. MIS designed b. MIS installed c. MIS operational d. WAJ lab upgraded e. JVA lab upgraded f. Lab personnel trained g. New monitoring plans designed h. New monitoring stations installed and operational i. Existing monitoring stations rehabilitated and operational j. Collection of water use data improved by improving function of water meters in the middle Jordan Valley (rehabilitation of Tel Al Thahab weir) k. Selected databases are regionally compatible (Numbers in parentheses denote number of X, e.g. "h (20)" indicates 20 new monitoring stations are operational.) COMMENTS: Critical assumption: MWI continues with current commitment to unified databases, despite difficulties that will arise during harmonization of existing (conflicting) databases. GOJ and other regional parties (Palestinian and Israeli) continue commitment to regionally compatible databanks (k).	YEAR	PLANNED	ACTUAL
	1994		
	1995	a g (4)	a g (4)
	1996	g (34) h (20) i (35)	g (24) h (20) i (14)
	1997	d, e, f b (2) g (10) h (20) i (50)	
	1998	c (2) b (1) j	
	1999	c (1) k	

OBJECTIVE: Improved Water Resources Management APPROVED: xx/xx/xx COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: 2.1 Stronger Water Sector Institutions			
INDICATOR: 2.1.4 Index of water policy change			
UNIT OF MEASURE: Index points (cumulative) SOURCE: Ministry of Water and Irrigation records INDICATOR DESCRIPTION: Ministry of Water and Irrigation is better able to formulate and effect water policy that will allow for sustainable water supplies in the future. Index: a. Water policy framework covering critical issues is adopted; b. Detailed implementation plan is developed collaboratively for at least 2 key policies; c. At least one key policy change is accomplished. One point is given for each item achieved, cumulative over the years. COMMENTS: FORWARD project activities to study real costs of water service delivery in the agricultural and/or municipal/industrial sectors are key elements of achieving this index.	YEAR	PLANNED	ACTUAL
	1994	NA	NA
	1995	NA	NA
	1996	1 (a)	1 (a)
	1997	2 (a + b)	
	1998	3 (a+ b+ c)	
	1999	(may add to index if targets achieved)	

OBJECTIVE: Improved Water Resources Management APPROVED: xx/xx/xx COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: 2.2 Increased efficiency in use of water resources			
INDICATOR: 2.2.2 Number of farmers adopting improved irrigation practices			
UNIT OF MEASURE: Number of farms SOURCE: Data collected annually by JVA INDICATOR DESCRIPTION: Number of farms in the Central Jordan Valley using (a) trickle irrigation (TI); (b) plastic houses (PH); and/or (c) plastic tunnels (PT). COMMENTS: Improved irrigation practices is a good proxy for improved water use efficiency. Critical Assumption: Efficiency irrigation systems are not only installed, but are properly managed. The new Irrigation Advisory Service (IAS) will help ensure that this is the case.	YEAR	PLANNED	ACTUAL
	1994		TI=1367 PH=648 PT=138
	1995		TI=1442 PH=666 PI=144
	1996	new indicator	TI=1494 PH=721 PT=157
	1997	5% increase	
	1998	5% increase	
	1999	5% increase	

Strategic Objective 3: Increased Practice of Family Planning with an

Emphasis on Modern Methods

Jordan's family planning Strategic Objective is guided by the *Program of Action* adopted at the 1994 International Conference on Population and Development (ICPD). USAID and UNFPA, the two major donors in the population area, assist the Ministry of Health ("the Ministry") and NGOs to ensure that accurate information and a full range of reproductive health services are affordable and accessible to Jordanian couples who want and need them.

Strategic Objective-Level Performance

The Mission's family planning Strategic Objective is to increase the total Contraceptive Prevalence Rate (CPR) from a base of 40 percent (as reported in the 1990 Demographic Health Survey) to 53.6 percent by the year 2000 and to increase the *modern* CPR from 27 percent to 41.5 percent, also by the year 2000.

Preliminary data from the USAID-funded Knowledge, Attitude and Practice (KAP) Survey conducted in 1996 indicate that significant progress is being made. The survey points to a 56.1 percent CPR in 1996, surpassing the National Population Commission's target four years ahead of schedule. Modern method CPR increased to 38.8 percent, suggesting that the target of 41.5 percent for the year 2000 will easily be met. This encouraging preliminary data will be revalidated once preliminary 1996 DHS data becomes available in August 1997 (The interpretation of a 1952 Jordanian law governing ownership and access to data delayed the 1996 DHS. The dispute was resolved in November 1996 by the Minister of Health's impassioned plea before the Jordanian Cabinet to let the DHS go forward since it would provide valuable information for future MOH planning and donor-funded programming).

Activities this year focus on meeting the increasing demand for family planning. Cabinet approval for Jordan's first National Population Strategy in March 1996 gave an enormous boost to this effort. The Strategy's passage signified GOJ acceptance at the highest levels of the importance of family planning services and expanding modern family planning methods.

Intermediate Result 1: Improved Knowledge of Contraceptives

Greater openness on family planning issues contributes greatly to USAID's ability to reach and surpass key targets. The 1995 decision by the MOH to use television and radio to publicize information paved the way for USAID-developed, method-specific "infomercials" to air beginning September 1996. Air time was provided by Jordanian television free of charge. There has been no adverse reaction to the public service campaign thus far. The infomercials introduce new methods, dispel myths and rumors, and provide advice on where to seek family planning services. One contraceptive social marketing (CSM) logo spot and three method-specific commercials are televised regularly during prime-time viewing hours. In addition, "Dear Doctor" columns providing information on reproductive health issues and on where to find services appear regularly in the Arabic press.

A recent survey measured the initial impact and effectiveness of the first four months of the media campaign. Over 90 percent of respondents had seen the logo on television and 70 percent correctly comprehended the messages in the spots. Thirteen percent of the women and two percent of the men had purchased a contraceptive product carrying the CSM logo. The arrival of the institutional contractor for the Comprehensive Postpartum Program and the resident advisor for the Information Education and Communication (IE&C) helped set in motion of activities aimed at strengthening the National Population Program. To improve the knowledge of the service information providers (SIPs), USAID developed and the Ministry approved a national family planning and maternal care training and counseling curricula.

Curricula development involved the public and private sector. Data from focus groups and rapid customer field appraisals also provide valuable input. Following discussions with USAID, the Ministry approved the material as its only family planning and counseling curricula. Training under the curriculum began in early 1997 and will be used by all donors.

Some 1,700 SIPs received training in family planning clinical skills, counseling, management and quality assurance in 1996. Post-test training questionnaires showed that from 85 to 90 percent of the trainees can provide accurate information in family planning; the pre-test rate average was 49 percent. Development of a National Communication Strategy is underway, along with research on married women and men aimed at better understanding Jordanian attitudes and practices concerning family planning. Data from 24 focus groups and the 1996 national KAP survey form the basis for the strategy and should be available by mid 1997.

Intermediate Result 2: Increased Availability of Family Planning Services

Sixteen NGO clinics provide family planning services in Jordan. Couple years of protection (CYP) in the NGO sector for 1996 is estimated at 58,424. Another 85 public sector centers provide a full range of quality family planning services in the public sector, with a CYP estimate of 30,487. The program is on target in training SIPs in family planning. Training materials in postpartum service delivery and counseling have been completed and training will begin shortly in these vital areas. The referral system to link clients from the comprehensive post-partum (CPP) centers to the model family planning (FP) and maternal child health (MCH) centers and vice versa is underway and will be operational by mid 1998.

The mid-term evaluation of the Family Health Services Activity was largely positive. Quality Assurance activities are on track, though additional time is needed to consolidate and document gains made. The NGO activity with the Jordanian Association of Family Planning and Protection exceeded expectations in cost recovery efforts. All clinics are recovering at least a portion of their costs and more than half are recovering at least 50 percent of costs.

Last year's R4 reported that lack of a reliable and predictable contraceptive distribution system was becoming a major impediment to the success of Jordan's family planning program. Over the last year, USAID, UNFPA and the Ministry have taken steps to develop an improved system. A resident advisor is now in place and working with a senior pharmacist assigned by the Ministry. Also, USAID and UNFPA are jointly funding contraceptives and the training needed to implement and maintain the distribution system.

Preliminary data from the assessment conducted by the new advisor validates Mission concern over distribution. For example, 75 percent of the Ministry clinics were out of stock of at least one product. UNFPA and USAID responded by providing emergency contraceptive shipments. However, the goal is to eliminate the need for such shipments. To ensure that services are provided which meet the needs of the expanding customer base, rapid appraisal surveys are used as well as customer satisfaction exit interviews.

Intermediate Result 3: Increased Availability and Affordability of Family Planning

Products in the Private Sector

In partnership with the private sector, Mission investments in Contraceptive Social Marketing (CSM) helped create commercial markets for five inexpensive contraceptive products and improved private sector distribution. The activity broke new ground by opening national television to method-specific family planning information and stimulating over \$150,000 in free television advertisement time in 1996 alone. The activity also promoted private family planning service delivery by training more than 1,000 private pharmacists and doctors.

In 1996, Norplant was registered for use in Jordan, thereby increasing the number of contraceptives available within the private sector. Under the patronage of the Health Minister, the University of Jordan Medical School sponsored a National Contraceptive Technology Up-Date Seminar for policy makers and doctors. Data presented by international and local experts and recommendations from attending physicians convinced the Ministry's Director of the Drug Directorate (the equivalent of the U.S. Food and Drug Administration) to present findings to the National Medical Syndicate and recommend registration.

Information from focus group discussions also convinced the Director to allow low-literacy inserts to be included in all pill products available under the CSM program. CSM products are now available at 99 percent of Jordan's pharmacies. The program successfully ensured that most products are available at an affordable price: the three different oral contraceptives now available average JD1.33 (or \$1.86) per cycle, IUDs remain at JD5.00 (\$7.00), while DMPA costs JD4.5 (\$6.30). As a result, CYP coverage within the private commercial sector is now estimated at more than 25,000, up from only 7,700 in 1995.

Expected Progress through 1999 and Management Actions

Jordan's family planning program made excellent progress in 1996. The goal of attaining a modern CPR of 41.5 by the year 2000 will almost certainly be met. USAID interventions are needed to sustain and expand on this success.

Over the next two years, the Mission will maintain its focus on policy, service delivery and communications. The RAPID (Resources for the Awareness of Population Impacts on Development) presentation is complete and is now being translated into Arabic. Additional dissemination and training activities to further sensitize opinion leaders on the relationships between rapid population growth and its impact on the nation's social and economic goals are planned. The national IE&C strategy will be developed by April 1997 and activities associated with a multi-media population IE&C campaigns will begin soon thereafter.

Lessons learned from the KAP study and focus group discussions underscore the importance of communication programs that effectively addresses the information needs of men, change social norms, and provide an enabling environment for communication and shared decision making. This information will be included in future communication programs.

An improved contraceptive delivery system should be in place by the end of 1998. Improving inventory management and contraceptive distribution will be emphasized. Also, three additional model centers will be completed and the remaining three CPP centers will be operable. Support to the Ministry to institutionalize and consolidate gains made in the Monitoring and Quality Control Directorate will continue, as will support for NGO family planning efforts in cost-containment and in expanding family planning services. National Household Surveys will be implemented each year to measure continued CPR progress.

A New Intermediate Result (4): Increased Rationalization of Health Financing Systems

Jordan's high population growth rate (3.7 percent) and young population profile have important implications for future spending. Population "momentum" as a result of increasing numbers of women entering their peak child bearing years means that population growth will continue for decades, even as fertility declines. High population growth will also increase demand for GOJ funding for social, family planning and reproductive health services.

Based on the 1994 census, there will be at least one million women of reproductive age in Jordan through at least the year 2000. To protect and sustain important recent gains, the Mission proposes to add a new Intermediate Result titled "Increased Rationalization of Health Financing Systems". Adding this result will not change the overall strategy. However, it will enhance prospects for not only attaining the Strategic Objective but also ensuring that progress, once made, is sustained.

A 1996 World Bank Health Sector Study identified major deficiencies in Jordan's system of subsidies, health care payments, and medical insurance. While accepting the results of the study, the GOJ indicated that it needs technical assistance to respond to many of the issues raised. In particular, USAID was asked to provide some of this support. USAID and the World Bank, working together, should be able to help the Ministry better address efficiency and equity concerns. It should also help sustain and protect declines in infant and maternal mortality rates and contribute toward meeting National Population Strategy goals.

Jordan's health care system performs very well for a middle income country. It has a moderate maternal mortality rate of 40 per 100,000; a moderately high modern CPR rate of 38.8 percent; a high childhood vaccination rate of 95 percent; and a low infant mortality rate of 37 per 1,000. However, as the Ministry budget declines (in real terms) and as the population expands, it is unlikely that the system can remain viable even over the short term.

In January 1997, the Partnership for Health Reform (PHR) Rapid Appraisal team identified several areas for intervention that would assist the MOH in addressing equity and efficiency concerns, reduce waste and contain cost escalation, as well as in preserving the gains made in family planning and primary health care. Potential areas for intervention include:

- Develop the capacity to produce annual National Health Accounts that facilitate tracking of total health expenditures, their sources and uses;
- Increase the MOH's capacity to analyze data, formulate policy and plan strategically.
- Establish a dialogue between private sector institutions to analyze and build skills for identifying health care, including family planning problems and their solutions;
- Conduct detailed assessments of current health insurance schemes to identify key areas for intervention.
- Build on ongoing efforts to assist the MOH to review utilization capacity and assess needs for new hospitals based on systematic analysis of needs, costs and productivity.

Assuming R4 approval for this new Intermediate Result in April, Intermediate Result development would begin immediately. Activities could then begin in fall 1997.

OBJECTIVE: SO3 Increased Practice of Family Planning with an Emphasis on Modern Methods APPROVED: 7/3/96 COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: N/A SO level indicator			
INDICATOR: Modern Method Contraceptive Prevalence Rate			
UNIT OF MEASURE: Women 15-46 SOURCE: 1996 Knowledge Attitude & Practice Survey implemented by Johns Hopkins University/Population Communication Services. INDICATOR DESCRIPTION: Modern Methods are oral contraceptives, IUD, DMPA, Foam, Condom, tubal ligation. COMMENTS: In April 1997 the Demographic Health Survey (DHS) will be undertaken. Preliminary results will be available in August 1997. * We surpassed our target, but will verify through the DHS and revise planned 97 & 98 accordingly.	YEAR	PLANNED	ACTUAL
	1990		27%
	1996	35.8%	38.8%*
	1997*	37.1%	
	1998*	38.8%	

OBJECTIVE: SO3 Increased Practice of Family Planning with an Emphasis on Modern Methods APPROVED: 7/3/96 COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: IR1: Improved Knowledge of Contraceptives			
INDICATOR: 60% of MCRA correctly comprehend a given message			
UNIT OF MEASURE: % of married couples who having heard a method-specific message, are able to paraphrase the main idea. SOURCE: January 1997 Omnibus survey for a national sample for 1,000 men and women of reproductive age. INDICATOR DESCRIPTION: Method specific family planning message. COMMENTS: 76.4% of women and 64.6% of men are able to, without prompting, paraphrase the message. * Communications experts in the public or private sector have advised that 60 is an exceptional score for IEC messages comprehension.	YEAR	PLANNED	ACTUAL
	1995	60	60
	1996	60	70
	1997	60*	
	1998	60*	

OBJECTIVE: SO3 Increased Practice of Family Planning with an Emphasis on Modern Methods APPROVED: 7/3/96 COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: IR2: Increased availability of FP services			
INDICATOR: # of Public sector sites which provide a "full range" of "quality" FP services from 63 in 1995 to 133 in 1998.			
UNIT OF MEASURE: # of clinics SOURCE: MOH clinic records INDICATOR DESCRIPTION: "full range" personnel trained to provide pills, IUDs, condoms, DMPA and LAM. COMMENTS: 98 clinics are providing all FP methods except IUD. Culturally only female doctors can insert IUD's. There are insufficient numbers of women gynecologists who work for the public sector. Nurses & midwives are scarcer than physicians and are not allowed, by Jordanian law, to insert IUDs. All FP model centers have women physicians trained to insert IUDs. * Target will be achieved for this indicator.	YEAR	PLANNED	ACTUAL
	1995		63
	1996	98	85
	1997*	133	

OBJECTIVE: SO3 Increased Practice of Family Planning with an Emphasis on Modern Methods APPROVED: 7/3/96 COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: IR2: Increased Availability of Family Planning Services.			
INDICATOR: Number of NGOs which provide "a full range" of quality FP services increases from 14 in 1995 - 17 in 1998.			
UNIT OF MEASURE: # of clinics <hr/> SOURCE: NGO records <hr/> INDICATOR DESCRIPTION: "full-range" personnel trained to provide pills, IUDs, condoms, DMPA and LAM <hr/> COMMENTS: These NGO clinics are recovering an average of 50% of their costs. Some are recovering 122% of their costs. * Target will be achieved for this indicator.	YEAR	PLANNED	ACTUAL
	1995		14
	1996	15	15
	1997*	17	

OBJECTIVE: SO3 Increased Practice of Family Planning with an Emphasis on Modern Methods.

APPROVED: 7/3/96 **COUNTRY/ORGANIZATION:** USAID/Jordan

RESULT NAME:IR3: Increased Availability & Affordability of FP Products in the Private sector.

INDICATOR: By 1998 the number of FP products available in the private sector increases from 2-4.

UNIT OF MEASURE: # of products

SOURCE:

GOJ Products Registry; SOMARC annual reports

INDICATOR DESCRIPTION:

FP Products are orals, IUD, DMPA and Norplant.

COMMENTS:

Data presented at the 1996 Contraceptive Technology Seminar and recommendations from well-respected physicians in the public & private sector convinced the Director of the Directorate of Health to present the data and recommend registration of Norplant to the National Medical Syndicate earlier than envisioned.

* Target has been achieved for this indicator.

YEAR

PLANNED

ACTUAL

1995

3

1996*

3

4

Strategic Objective 4: Other Activities in Support of Agency Objectives

ANE created a new "Other Activities" Strategic Objective in 1996 to provide an NMS home for ongoing activities that did not fit anywhere else. Three of the eight activities assigned to this Strategic Objective are now complete: the Commodity Important Program (December 1995); the Development Assistance Project (August 1996); and the PETRA Project (September 1996). A fourth, the Agricultural Marketing Development Project, will conclude in September 1997. These activities are on average ten years old. They are not part of the Mission's Management Contract and hence are not being reviewed as part of this R4.

The four remaining activities will end by September 1998. They are clustered for NMS convenience and have no causal relationship. ANE therefore agreed to a modified results reporting format. Two activities--Loan Guaranty for Small Enterprise Development and Technical Support Feasibility Study--are relevant to the proposed new Economic Opportunity Strategic Objective and will be moved there once the new objective is approved.

Loan Guaranty for Small Enterprise Development Activity

The \$10 million Loan Guaranty for Small Enterprise Development activity ends in August 1998. It is designed to support local entrepreneurs, promote private enterprise, and expand local, regional and international markets. Key counterparts include the Central Bank of Jordan and the Jordan Loan Guarantee Corporation (JLGC). Remaining funds will provide technical assistance and training to JLGC.

Sector Policy Reform Technical Support Activity

The \$1 million Sector Policy Reform/Technical Support (SPR/TS) activity ends in June 1997. SPR/TS provides advisors and commodities to promote GOJ policy reforms, including those supported under USAID's now completed \$30 million Sector Policy Reform Program. A recent evaluation shows that the GOJ complied with program conditionality and positive changes have occurred, especially in terms of more streamlined administrative procedures and improved perceptions about Jordan's investment climate. Remaining funds will be used to computerize part of Customs operations and publish new import/export and registration guidebooks.

Private Sector Services Support Activity

The \$7.9 million Private Sector Services Support (PSSP) activity concludes in September 1998. Interventions focus on four areas vital to private sector growth, namely accounting, industrial management, computers and software services, and marketing. In December 1996, the Mission awarded a \$447,000 grant to the Queen Alia Fund for Social Development to establish an export marketing unit for its ceramics production facility. Remaining funds will be used to help the Investment Promotion Corporation (IPC), an autonomous public corporation responsible for promoting private investment. Support to the IPC will be consistent with USAID's new Increased Economic Opportunities Strategic Objective.

Technical Services and Feasibility Activity

The \$21 million Technical Services and Feasibility Activity (TSFS) ends in August 1998. Historically, TSFS has been an important vehicle for providing an array of technical assistance, training and commodities deemed necessary to promote reform and improve the efficiency of Jordanian institutions. As detailed in the Annexes, TSFS funds activities that cut across all three of the Mission's Strategic Objectives. Most remaining funds will be devoted to supporting the new Increased Economic Opportunities Strategic Objective.

Special Objective 1: Private Sector Growth Strategic Objective Designed

In October 1996, the Mission requested \$125,000 in RD&S funding from ANE to help develop the new Increased Economics Opportunities Strategic Objective. A new "Special Objective" was created to process these funds under the New Management System (NMS). The Mission conducted the private sector assessment in December 1996 and January 1997 and received the funds in February 1997. The Special Objective will become the "RD&S Activity" in the new Strategic Objective.

Part III: Status of the Management Contract

Prospects for meeting USAID's long-term Strategic Objectives remain good. Jordan's genuine desire for economic growth and political and social stability create a fertile environment for new ideas that address difficult development constraints. With the proposed changes to the Management Contract summarized below, the Mission should be well positioned to build on last year's achievements and respond creatively to new development opportunities while remaining within the structure established by that Management Contract. The Mission also requests that the ANE Bureau review and approve the new "Increased Economic Opportunities for Jordanians" Strategic Objective, proposed herein.

Strategic Objective 1: Increased Foreign Exchange Earnings from Cultural and Nature Visitors

As discussed in Amman 09093 (September 1996) and approved in State 222985 (October 1996), USAID is closing out the "tourism" Strategic Objective. Obligations had reached \$14.8 million; cumulative commitments total \$4.35 million. The Mission's withdrawal strategy ensures that the remaining \$10.45 million in uncommitted funds support Mission and GOJ priorities. The major pending activity--construction of the Wadi Mousa wastewater treatment plant at Petra--will be managed under the water objective.

Wadi Mousa Wastewater Plant Construction	\$ 9.875 million
ACOR (Site Preservation)	
0.575	
Chemonics Close-Out (Site Enhancement)	<u>0.000</u>
TOTAL	\$10.450 million

Strategic Objective 2: Improved Water Resource Management

As requested by ANE in State 60395 (March 1996), the Mission is presenting new indicators and targets for this Strategic Objective. This new material, developed in close consultation with ANE and Global, more accurately reflects what USAID is trying to achieve. Formal approval of the revised indicators and targets is requested as part of this year's R4 review.

A new development related to the Mission's water Strategic Objective also needs to be highlighted. In 1996, the former Secretary of State announced an initiative to integrate environmental issues into U.S. foreign policy through a series of regional "Environmental Hubs". Amman was identified as one such hub, with a mandate to focus on regional water and environmental issues. Since USAID is the leading player in environmental and water policy programs in Jordan, the Ambassador and Country Team opined that the Environmental Hub in Amman should be integrated into USAID/Jordan; such an approach would reduce overlap, ensure serious substantive engagement on policy issues, and provide economies of scale for both State and USAID. The Mission strongly endorsed this position.

Despite intensive support from the Ambassador, Country Team, and USAID/Washington, the State Department decided to establish its own, separate Environmental Hub operation, reporting to the Embassy's Economics Officer. Given this decision, the Mission expects to

work closely with new Environmental Hub to ensure that the USG strategy is coordinated and that all parties speak with one voice on water and environmental concerns. Since the position is regional, it may result in greater State interest in pursuing regional approaches to water and the environment. The Mission has already begun considering ways to strengthen the water strategic objective, including in areas related to regional cooperation.

Strategic Objective 3: Increased Practice of Family Planning with an Emphasis on Modern Methods

USAID has an important opportunity to engage in serious policy dialogue with the GOJ on sustainability issues related to health and family planning. Given this development, the Mission requests ANE approval to add a new Intermediate Result to this Strategic Objective, "Increased Rationalization of Health Financing to sustain and protect gains made and to ensure resources in support of Family Planning and Maternal Child Health Services".

Strategic Objective 4: Other Activities in Support of Agency Objectives

Once the new economic growth strategy is approved, the Mission seeks ANE concurrence to move the Loan Guarantee for Small Enterprise Development Activity and the Technical Services and Feasibility Studies Activity V to the new "Increased Economic Opportunities for Jordanians" Strategic Objective. The remaining two activities--the Sector Policy Reform Technical Support Activity and the Private Services Sector Activity--will remain under Strategic Objective 4 and end in 1998.

Special Objective 1: Private Sector Growth Strategic Objective Designed

\$125,000 in RD&S funding was needed to help develop the Mission's new Economic Opportunity Strategic Objective. A new Special Objective had to be created to access these funds under NMS. Funds were used for a private sector needs assessment, a critical element in the design of the new objective. Once the new Strategic Objective Agreement (SOAG) is signed, this activity will be subsumed under the Increased Economic Opportunities Strategic Objective and removed from the management contract.

Strategic Objective 5: Increased Economic Opportunities for Jordanians

A summary presentation of the proposed new Economic Opportunity Strategic Objective is provided below for ANE review and approval. A key outcome of the R4 should be formal ANE approval. The full Strategic Objective presentation is located in Annex H.

A. Summary Analysis of Assistance Environment and Rationale for Focusing Assistance in Particular Areas

United States Foreign Policy Priorities

U.S. assistance to Jordan supports a stable and moderate government committed to democratization and peaceful solutions to the region's problems. Critically positioned both geographically and politically, Jordan is a consistent and positive force in the Middle East peace process. Strategically targeting U.S. assistance to increase economic opportunities for

Jordanians--especially those who have neither materially benefited from peace with Israel nor from Jordan's ongoing economic reform program--can make an important contribution to Jordan's longer-term stability as well as U.S. foreign policy objectives.

Development Priorities in Jordan

Jordan is a resource-poor country with few assets other than its educated population and strategic location at the center of the Middle East. Even short-term visitors become quickly aware of two critical problems--water scarcity and rapid population growth, both of which are addressed under USAID's first two strategic objectives.

Rapid population growth means that the economy must grow rapidly to feed, clothe, house, educate and employ an ever-expanding workforce. In recent years, Jordan has achieved impressive economic growth rates. However, there is a widespread perception that "ordinary" Jordanians have not yet benefitted from this growth. Politically, this causes concern because the "peace dividend" anticipated as a result of the fragile Middle East peace process seems illusory. At an economic level, it results in cynicism toward the process of reform supported by the World Bank and the IMF. Ideally, rapid economic growth should result in greater economic opportunity for the entire population. In practice, financial and policy constraints mean the benefits of growth are more circumscribed than would ordinarily be the case.

B. Proposed Strategic Plan for the Economic Growth Strategic Objective

Statement of Strategic Objective

The new USAID Strategic Objective for Jordan is designed to "Increase Economic Opportunities for Jordanians." Activities under this Strategic Objective directly support the Agency goal of encouraging "broad-based economic growth" by expanding access and opportunities through financial services and more effective implementation of policy reforms.

Problem Identification

A critical strategic issue for USAID is to target U.S. assistance to increase economic opportunities for Jordanians--especially those who have neither materially benefited from peace with Israel nor from Jordan's ongoing economic reform program. Current economic growth rates result in some 42,000 new jobs each year. However, at least 50,000 jobs are needed to begin making a dent in the high unemployment rate, estimated to exceed 17 percent. Failure to deal with this concern could jeopardize Jordan's continued participation in the peace process and derail the economic restructuring process now underway.

The major constraint affecting micro- and small-enterprise development is a lack of access to financial services. Other constraints--access to entrepreneurial skills, market access, lack of production, marketing and administrative skills, legal and policy concerns, etc.--do arise. However, lack of access to credit emerges again and again as a binding constraint. USAID interventions in the micro- and small-enterprise sector will therefore focus on this concern.

The major constraint affecting job creation for medium and large scale business involves a broader range of policy issues. In many instances, the concern is not so much a new policy;

it is effective implementation of new rules and regulations. Critical areas identified by the private sector include customs, tax laws, business registration and licensing procedures, and intellectual property rights.

Finally, a strategic objective formulated around economic opportunities in Jordan must emphasize gender concerns. At present, women comprise only 11 percent of the total labor force, the female participation rate is only five percent and 32 percent of all women and 18 percent of all men are unemployed. Women's low participation cannot be explained by a lack of education or discrimination in education -- enrollment rates for women and men are comparable. Beyond issues of cultural preferences, values and strictures, key constraints to women's fuller participation in the economy appear to include such factors as high female fertility rate of 4.6 percent (with the number of children per female much higher among poor and rural women); the structure of the economy (chronic unemployment, low industrialization, and a small private sector); and a residue of "protective" laws that tend to make women less attractive employees, especially to the expanding private sector.

Critical Assumptions

The proposed new Strategic Objective is predicated on three assumptions: (1) the Middle East peace process will continue, with Jordan maintaining its central role; (2) the GOJ will maintain its commitment to policy reform and economic restructuring; and (3) the GOJ will take both fiscal restraint and economic equity concerns into account as it formulates and implements its economic reform program.

Sustainability Issues

The sustainability of Jordan's economic reform program hinges in large part on ensuring that broad sections of the population benefit. From a USAID perspective, it is also vital that USAID-funded interventions continue even after USAID funding ends.

With respect to small- and micro-enterprise development, the key concern is to promote market-based credit and financial service programs that pay for themselves. Historically, credit programs designed by NGOs have been heavily subsidized. Without significant donor support, most such programs would collapse. For their part, commercial banks have not bothered to service the small- and micro-enterprise sector because of a perception that such programs are neither profitable nor sustainable. A wide range of international experience suggests that both these perceptions are not rooted in reality. On the contrary, small credit programs, if designed and implemented effectively, can present "win-win" situations, both for potential entrepreneurs and for the NGOs or financial institutions which manage them.

With respect to medium and large businesses, the key concern is to ensure that GOJ pronouncements about economic reform are effectively implemented. Adherence to the IMF program despite popular discontent underscores the seriousness of the GOJ's resolve. Interest in reform also extends into other sectors in which the Mission is involved, such as water and population. The Mission's focus on effective policy implementation--a critical but all too often ignored element in bringing about lasting economic change--goes to the heart of the sustainability issue. New policies, regardless of how they are promulgated, will only be successful if they are effectively implemented.

Results Framework and Causal Relationships

Increased economic opportunity is the central theme around which the new Strategic Objective is built. It will be achieved by increasing access to financial services and by more effective implementation of key policy reforms. As a result, a significant number of Jordanian firms that are currently unable or unwilling to invest or expand business operations will be able to do so, thus generating expanded opportunities for Jordanians.

Achieving increased economic opportunities will require showing significant results in three areas. First, the number of new businesses should be increased. Second, the number of micro- and small- entrepreneurs who move from NGO-supplied microcredit services to formal credit and savings services provided by commercial banks should be expanded. Third, the number of jobs created as a result of these achievements should increase.

Increased Access to Financial Services (IR 5.1)

The first Intermediate Result includes activities designed to increase both the sustainability and the outreach of financial service delivery institutions. Special emphasis will be given to encourage repeat borrowers.

The "core" program focuses on strengthening access to micro financial services. At the same time, activities will also begin to move the focus beyond NGO-type microfinance institutions and towards the commercial banking sector, where the potential capital for small and microbusinesses far exceeds what the NGOs can achieve acting alone.

The three results under IR 5.1 that comprise the core program should start to show results immediately, given the fact that the base program (including Save the Children's microcredit program) is already in place and achieving results. Assisting other Jordanian and international microcredit NGOs will allow the Mission to improve the overall quality of financial service delivery by increasing NGO capacity to better manage information systems and make progress towards financial sustainability.

More Effective Implementation of Policy Reforms (IR 5.2)

The second Intermediate Result derives in large part from an assessment of the Mission's now-completed \$30 million Sector Policy Reform Program (SPRP). The assessment concluded that despite important reforms and some initial impacts, a number of implementation issues remain that prevent the reforms from benefitting businesses of all sizes. Results that comprise the core program here include greater public knowledge of key economic policy reforms, increased number of firms granted investment incentives, and better trained customs officers performing duties in a more efficient and transparent manner.

How Achievement of the Strategic Objective Will Be Judged

The full Strategic Objective presentation includes a performance monitoring plan as well as performance data tables. These matrices highlight the proposed performance indicators, baselines and targets and convey the anticipated magnitude or significance of specific results.

C. Resource Requirements

The Increased Economic Opportunities Strategic Objective will require, at a minimum, one U.S. Direct Hire (USDH), one U.S. Personal Services Contractor (USPSC), one professional level Foreign Service National (FSN), one administrative level FSN and one secretary. The USPSC will be program funded. Since this Strategic Objective replaces the previous Tourism Objective, overall personnel requirements for the Mission will remain unchanged.

The Strategic Objective is based on a planned \$30 million budget in ESF: \$5 million in FY1997; and \$10 million in FY1998 and again FY1999 (another \$5 million is anticipated for FY2000, beyond the period covered by this R4). If initial funding is not available at the \$5 million level, activities envisaged under the Strategic Objective cannot realistically begin and no further design work should be contemplated. The Mission anticipates accessing the Global Bureau's PRIME activity in FY1997 through a \$250,000 matching contribution. Further access to PRIME will depend on final development of the results packages. Technical support in the form of microenterprise and financial service expertise will be requested from USAID/Washington as required throughout the life of the Strategic Objective. Funding requirements are detailed in the Strategy Paper.

Part IV: Program Funding Request by Strategic Objective

Overview

Jordan is one of a few ANE missions whose program funding levels will increase over the next three years. Actual OYB levels fell during the first half the 1990s from \$30 million in FY1992 to \$7.2 million in FY1996. This trend is being reversed in FY1997, with a projected OYB of \$14.5 million (\$10 million in ESF and \$4.5 in DA/population). FY1998 levels should increase to an estimated \$25 million; FY1999 levels will hopefully be at least as high. OYB increases in ESF are based on Jordan's continuing and critical support to the Middle East peace process. The ESF increases are critical, both for maintaining support of water activities and launching the new Increased Economic Opportunities Strategic Objective.

The expansion in ESF has been accompanied by a decline in DA for family planning. Moreover, the Mission's FY1996 DA/population funding was delayed until FY1997 due to the Congressionally-mandated "metering" issue. Despite strong performance, ANE planning levels point to a further decline in family planning DA, from \$4.5 million in FY1997 to \$2.5 million in FY1998, below the Congressional Presentation request level of \$7.3 million and \$8.7 million respectively. Although the Mission is expected to use ESF to make up for funding family planning shortfalls, this is a less than desirable solution since critical activities in water and economic growth will inevitably be short-changed.

Financial Plan

Funding levels needed to achieve the Mission's Strategic Objectives over the next three years are detailed in the "Budget Request by Program/Country" table provided in Annex A.

Prioritization of Objectives and Sensitivity Analysis

The Mission's highest goal is to achieve broad-based, sustainable economic growth. All three Strategic Objectives are integral to achieving this goal. With the launch of the new Increased Economic Opportunities Strategic Objective, the Mission will be directly engaged in the three most critical issues facing Jordan: too little water; too rapid population growth; and too few economic opportunities for an ever-growing workforce.

The interdependence among the Mission's three Strategic Objectives enhances prospects for synergy. For example, without improvements in water management, meeting the most basic needs of a growing population will be problematic. Similarly, the demographics of a rapidly growing population place huge pressure on the GOJ to create tens of thousands of new jobs each year simply to absorb new workforce entrants. At the same time, water scarcity dims prospects for greater agricultural and industrial expansion. Inevitably, successes or failures in one sector will have a direct impact on performance in another.

The increase in OYB from \$7.2 million in FY1996 to at least \$25 million in FY1998 should allow USAID to seriously address some of the most vital issues affecting Jordan's future. However, this important opportunity will be jeopardized if staffing and OE levels decline, even as programs levels increase. Program prioritization is always a useful management tool. However, having finally arrived at a strategic construct that firmly supports USG foreign policy objectives and places USAID at the center of Jordan's development efforts, it would be

unfortunate if even one Strategic Objective or Intermediate Result is curtailed or eliminated. Indeed, the disconnect between rising program levels and falling OE/ FTE levels is among the most critical issues that needs to be resolved during the Washington R4 Review.

"Improved Water Resources Management" represents the single most important Strategic Objective. Water will remain Jordan's most critical development constraint for the foreseeable future. USAID, a leading bilateral donor, has invested significant development resources in this sector. These investments are yielding substantial results. USAID's excellent working relationship with the Ministry of Water and Irrigation, the Water Authority of Jordan and the Jordan Valley Authority, coupled with the Mission's strong donor coordination role, assure continued progress toward achieving our Strategic Objective.

"Increased Family Planning Practices with an Emphasis on Modern Methods" is ranked second among the Mission's three Strategic Objectives. Within the past year, the GOJ has taken important steps that point to a more open operating environment and greater interest in policy reform. The Ministry of Health openly acknowledges USAID's comparative advantage in this sector and actively seeks Mission assistance in addressing key maternal and child-health issues. USAID is well positioned to capitalize on this more open environment and will continue to undertake difficult yet important policy reform initiatives in future.

The new "Increased Economic Opportunities for Jordanians" Strategic Objective represents the Mission's third priority, in part because it is just now being launched. Certainly, the success of Jordan's transition to an open economy is critical, not only to ensuring an enduring peace but also as a response to the widening income disparities and growing unemployment that threaten the country's long-term stability. Within the constraints imposed by relatively modest funding levels, USAID can ensure a creative and targeted response to some of the most central issues that will affect Jordan for the rest of this century and beyond. Given prospects for an increasing OYB, the Mission does not anticipate discontinuing any Intermediate Results or eliminating any Strategic Objectives. However, as discussed in the "threshold of pain" analysis, a 20 or 40 percent fall in OE would have dire consequences and jeopardize prospects for meeting the USG mandate implied by an expanded ESF program.

Linkage of Field Support Resources

ANE and Global programs and resources are vital to achieve each Strategic Objective. In FY1996, the Mission received \$2.49 million in Global funding; it is requesting \$2.7 million, \$2.0 million and \$0.67 million for FY1997, FY1998 and FY1999 respectively.

Strategic Objective 2: "Improved Water Resources Management"

ANE's FORWARD activity is a vital part of the Mission's policy dialogue with the Ministry of Water and Irrigation on the real cost of water and water tariff rates. Without FORWARD and the mediation skills it provides, the Mission would be less able to pursue its ongoing policy dialogue in this sensitive area. Global's AAAS Fellow's program provides technical expertise in monitoring progress, assessing opportunities for new interventions and maintaining donor coordination. Finally, the USAID Environmental Policy and Institutional Strengthening IQC will be used to help the Mission design new activities in FY1997.

Strategic Objective 3: "Increased Practice of Family Planning with an Emphasis on

Methods"

Several Global HPN activities are key to efforts to achieve this Strategic Objective. Contraceptive Procurement and Family Planning Logistics Management are *sine qua non* activities. Without a reliable supply of contraceptives, other family planning activities would become pointless. The technical expertise available through Global is moving family planning services provided by NGOs and government institutions toward sustainability. These activities also help the Mission test new NGO initiatives and practices which the Ministry of Health has subsequently adopted. Finally, Contraceptive Social Marketing activities energize private-sector participation needed to ensure sustainability.

Strategic Objective 5: "Increased Economic Opportunities for Jordanians"

Although this Strategic Objective has not yet been formally launched, several Global programs have been identified as potentially important to its success. For example, Microserve can provide technical assistance to support the Mission's Best Practices Intermediate Result; the Financial Services Development activity can provide the financial analysis needed to assist NGOs in better managing their microenterprise loan portfolios; and, if the Mission's application is successful, PRIME will provide important on-lending technical assistance aimed at making credit more accessible to women and promoting institutional sustainability.

Workforce and Operating Expenses

FY1998 and FY1999 workforce and operating expense levels represent the absolute minimum staff and operating budget necessary to achieve the three Strategic Objectives. The number of U.S. direct hire (USDH) positions decreased from 16 in FY1995 to nine in FY1996. The impact of a 44 percent reduction in USDH staff is further magnified by the need to maintain two regional positions (the Regional Controller and the Regional Legal Advisor) within existing FTE levels. The Foreign Service National (FSN) staffing levels have also declined, from 44 positions in FY1994 to 36 positions in FY1996 and an anticipated 35 by the end of FY1997. The Mission's existing workforce levels include nine USDHs, one International Development Intern (IDI), 35 FSNs, one U.S. PSC and one AAAS Fellow. Any further cuts beyond the one FSN position by the end of FY1997 will reduce accountability controls and hamper our ability to meet the Mission's Strategic Objectives.

The Mission's FY1997 OE budget request is \$1.759 million, a reduction over the FY1996 level of \$1.9 million; for FY1998 and FY1999, the request is for \$2.330 million and \$2.408 million, respectively. The FY1997 level is low due to an unusually small USDH turnover and should not be used as a baseline. For FY1997 and FY1998, the amount includes

appropriated dollars and trust funds. Trust funds will be depleted by the end of FY1998, necessitating an increase in appropriated funds. All estimates assume a stable local currency over the next three years.

OE Budget (\$000)

<u>Funds</u>	<u>Appropriated Dollars</u>	<u>Trust</u>
	<u>Total Budget</u>	
FY1997	\$1,548	\$211
\$1,759		
FY1998	2,069	261
2,330		
FY1999	2,408	0
2,408		

ICASS, which becomes effective in FY 1998, is the largest contributing factor to the incremental budget increase (funding for ICASS-type support was previously taken from Washington budgets and did not appear in the Mission's OE funding levels, as ICASS does). The Mission anticipates ICASS expenses of \$400,000 in FY1998 and \$410,000 in FY1999. The Mission also anticipates a small increase due to anticipated USDH transfers, a greater number of school-aged children at post and a projected FY1998 increase in FSN salaries (\$70,000). No FSN salary increase is budgeted for FY1999. Finally, the Mission anticipates a LAN server upgrade for existing equipment that was placed in service in FY 1994. In FY1999, the Mission has budgeted \$25,000 for a U.S. PSC controller for two months.

"Threshold of Pain" Analysis

Huge staffing cuts absorbed last summer make further OE reductions highly problematic, especially given the enhanced mandate implied by an increase in ESF funding for Jordan. A 20 percent further reduction in OE could be absorbed only by eliminating the new Economic Opportunity Strategic Objective and related USDH and FSN staff (one USDH, three FSN program staff, one FSN secretary), eliminating one of two USDH program officer positions, eliminating any proposed FSN salary increases, and reducing NXP procurement. A 40 percent reduction would additionally eliminate the USDH regional controller, executive officer, and regional legal advisor. USAID/Jordan would become a USAID Representative Office rather than a full Mission, with only four USDHs and 18 LRS. Another Mission would have to assume the Mission's existing regional accounting and legal functions.

Environmental Compliance

The Mission anticipates a "categorical exclusion" ruling for new "Increased Economic Opportunities for Jordanians" Strategic Objective. Once results packages are finalized in July 1997, the Mission will prepare the IEE for the ANE Environmental Officer's review and approval.

**USAID FY 1997 Budget Request by Program/Country
(\$000)**

27-Jul-99
10:46 AM

Country/Program: Jordan

ANNEX A

S.O. # , Title	Approp Acct	Bilateral/ Field Spt	Est. SO Pipeline at end of FY 96	FY 1997 Request								Est Expend. FY 97	Est Total cost life of SO	Mortgage at end of 1997	
				FY 1997 Total Request	Basic Education for Chldrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ				D/G
SO 1: Increased Foreign Exchange Earnings from Culture and Nature Visitors to Jordan															
		Bilateral	13,088	0	0	0		0	0	0	0	0	5,000	14,800	0
		Field Spt			0	0		0	0	0	0	0	0	0	0
		Total	13,088	0	0	0	0	0	0	0	0	0	5,000	0	0
SO 2: Improved Quality and Increased Quantity of Water															
		Bilateral	22,100	3,500	0	3,500	0	0	0	0	0	0	12,510	65,000	20,500
		Field Spt			0	0	0	0	0	0	0	0	0	0	0
		Total	22,100	3,500	0	3,500	0	0	0	0	0	0	12,510	0	0
SO 3: Increased Practice of Family Planning, with Emphasis on Modern Methods															
		Bilateral	11,079	5,420	0	0	5,420	0	0	0	0	0	6,280	16,600	1,500
		Field Spt		2,180	0	0	2,180	0	0	0	0	0	2,180	0	0
		Total	11,079	7,600	0	0	7,600	0	0	0	0	0	8,460	0	0
SO 4: Other activities in Support of the Agency objectives															
		Bilateral	6,239	0	0	0	0	0	0	0	0	0	4,119	39,900	0
		Field Spt		0	0	0	0	0	0	0	0	0	0	0	0
		Total	6,239	0	0	0	0	0	0	0	0	0	4,119	0	0
SO 5: Economic Growth															
		Bilateral	0	4,455	0	4,455	0	0	0	0	0	0	230	30,000	25,125
		Field Spt	0	420	0	420	0	0	0	0	0	0	470	0	0
		Total	0	4,875	0	4,875	0	0	0	0	0	0	700	0	0
SSO 1															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0
SP0 1:RD&S															
		Bilateral	0	125	0	125	0	0	0	0	0	0	125	125	0
		Field Spt		0	0	0	0	0	0	0	0	0	0	0	0
		Total	0	125	0	125	0	0	0	0	0	0	125	0	0
SP0 2:(Type in approved full title of SPO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt			0	0	0	0	0	0	0	0			
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral				13,500	0	8,080	5,420	0	0	0	0	0			
Total Field Support				2,600	0	420	2,180	0	0	0	0	0			
TOTAL PROGRAM			52,506	16,100	0	8,500	7,600	0	0	0	0	0	30,914	0	0

FY 97 Budget Request by Appropriation - (\$000's)

Development Assistance	0
Development Fund for Africa	0
Economic Support Funds	0
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

**USAID FY 1998 Budget Request by Program/Country
(\$000)**

27-Jul-99
10:46 AM

Country/Program: Jordan

ANNEX A

S.O. # , Title	Approp Acct	Bilateral/ Field Spt	Est. SO Pipeline at end of FY 97	FY 1998 Request								Est Expend. FY 98	Est Total cost life of SO	Mortgage at end of 1998	
				FY 1998 Total Request	Basic Education for Chldrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ				D/G
SO 1: Increased Foreign Exchange Earnings from Culture and Nature Visitors to Jordan															
		Bilateral	8,088	0	0	0	0	0	0	0	0	0	6,000	14,800	0
		Field Spt		0	0	0	0	0	0	0	0	0	0		
		Total	8,088	0	0	0	0	0	0	0	0	0	6,000	0	0
SO 2: Improved Quality and Increased Quantity of Water															
		Bilateral	13,090	9,000	0	9,000	0	0	0	0	0	0	11,950	65,000	11,500
		Field Spt		0	0	0	0	0	0	0	0	0	500		
		Total	13,090	9,000	0	9,000	0	0	0	0	0	0	12,450	0	0
SO 3: Increased Practice of Family Planning, with Emphasis on Modern Methods															
		Bilateral	10,219	6,500	0	0	6,500	0	0	0	0	0	5,557	25,100	500
		Field Spt		2,000	0	0	2,000	0	0	0	0	0	2,000		670
		Total	10,219	8,500	0	0	8,500	0	0	0	0	0	7,557	0	0
SO 4: Other activities in Support of the Agency objectives															
		Bilateral	2,120	0	0	0	0	0	0	0	0	0	2,120	39,900	0
		Field Spt		0	0	0	0	0	0	0	0	0	0		
		Total	2,120	0	0	0	0	0	0	0	0	0	2,120	0	0
SO 5: Economic Growth															
		Bilateral	4,150	10,000	0	10,000	0	0	0	0	0	0	8,000	30,000	10,125
		Field Spt		0	0	0	0	0	0	0	0	0	0		
		Total	4,150	10,000	0	10,000	0	0	0	0	0	0	8,000	0	0
SSO 1															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0
SP0 1:RD&S															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0
SP0 2:(Type in approved full title of SPO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral				25,500	0	19,000	6,500	0	0	0	0	0			
Total Field Support					2,000	0	2,000	0	0	0	0	0			
TOTAL PROGRAM			37,667	27,500		19,000	8,500	0	0	0	0	0	36,127	0	

FY 98 Budget Request by Appropriation - (\$000's)

Development Assistance	0
Development Fund for Africa	0
Economic Support Funds	0
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

**USAID FY 1999 Budget Request by Program/Country
(\$000)**

27-Jul-99
10:46 AM

Country/Program: Jordan

ANNEX A

S.O. # , Title			Est. SO	FY 1999 Request									Est	Est	Mortgage
Approp	Bilateral/	Pipeline	FY 1999	Basic	Other	Population	Child	HIV/AIDS	Other	Environ	D/G	Expend.	Total cost		
Acct	Field Spt	at end of	Total	Education	Economic		Survival		Health			FY 99	life of		
		FY 98	Request	for Chldrn	Growth							SO	SO		
SO 1: Increased Foreign Exchange Earnings from Culture and Nature Visitors to Jordan															
	Bilateral	2,088	0	0	0	0	0	0	0	0	0	2,088	14,800	0	
	Field Spt		0	0	0	0	0	0	0	0	0				
	Total	2,088	0	0	0	0	0	0	0	0	0	2,088	0		
SO 2: Improved Quality and Increased Quantity of Water															
	Bilateral	9,640	15,000	0	11,500	0	0	0	0	0	0	14,000	65,000	0	
	Field Spt		0	0	0	0	0	0	0	0	0	1,000			
	Total	9,640	15,000	0	11,500	0	0	0	0	0	0	15,000	0		
SO 3: Increased Practice of Family Planning, with Emphasis on Modern Methods															
	Bilateral	11,162	5,500	0	0	500	0	0	0	0	0	6,330	31,270	0	
	Field Spt		670	0	0	670	0	0	0	0	0	670		0	
	Total	11,162	6,170	0	0	1,170	0	0	0	0	0	7,000	0	0	
SO 4: Other activities in Support of the Agency objectives															
	Bilateral	0	0	0	0	0	0	0	0	0	0	0	39,900	0	
	Field Spt		0	0	0	0	0	0	0	0	0				
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 5: Economic Growth															
	Bilateral	6,150	5,000	0	5,000	0	0	0	0	0	0	8,000	30,000	5,420	
	Field Spt		0	0	0	0	0	0	0	0	0	0			
	Total	6,150	5,000	0	5,000	0	0	0	0	0	0	8,000	0	0	
SSO 1															
	Bilateral		0	0	0	0	0	0	0	0	0				
	Field Spt		0	0	0	0	0	0	0	0	0				
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0	
SP0 1:RD&S															
	Bilateral		0	0	0	0	0	0	0	0	0				
	Field Spt		0	0	0	0	0	0	0	0	0				
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0	
SP0 2:(Type in approved full title of SPO here)															
	Bilateral		0	0	0	0	0	0	0	0	0				
	Field Spt		0	0	0	0	0	0	0	0	0				
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Bilateral			25,500	0	16,500	500	0	0	0	0	0				
Total Field Support			670	0	0	670	0	0	0	0	0				
TOTAL PROGRAM			29,040	26,170	16,500	1,170	0	0	0	0	0	32,088	0		

FY 99 Budget Request by Appropriation - (\$000's)

Development Assistance	0
Development Fund for Africa	0
Economic Support Funds	0
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

Totals by Staffing Catagory - FY 1997 Ceiling

								Support Offices								Grand Total Staff
Staff	Strategic Objective 1: (Tourism)	Strategic Objective 2: (Water)	Strategic Objective 3: (Population)	Special Objective 4: (Others)	Special Objective 5: (EO)	Special Objective 1: (RD&S)	Subtotal S.O. Staff	Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other	Subtotal Support Staff	
USDH	0	1	1	0	1	0	3	1	1	1	0	1	2	0	6	9
USPSC (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
USPSC (Program Funded)	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	1
Total USPSCs	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	1
FSN/TCN Direct Hire (OE/TF)	0	2	0	0	0	0	2	0	2	2	0	0	0	0	4	6
FSN/TCN Non Direct Hire (OE/TF)	0	2	4	0	4	0	10	1	3	10	2	0	3	0	19	29
FSN/TCN Non Direct Hire (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Non Direct Hire	0	2	4	0	4	0	10	1	3	10	2	0	3	0	19	29
Total FSN/TCN (OE/TF)	0	4	4	0	4	0	12	1	5	12	2	0	3	0	23	35
Total FSN/TCN (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	4	4	0	4	0	12	1	5	12	2	0	3	0	23	35
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE/TF Staff (includes USDH)	0	5	5	0	5	0	15	2	6	13	2	1	5	0	29	44
Total Program Funded Staff	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	1
Grand Total All Staff	0	5	5	0	6	0	16	2	6	13	2	1	5	0	29	45

Notes:

* TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can devide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

Totals by Staffing Catagory - FY 1998 Ceiling

								Support Offices								Grand Total Staff
Staff	Strategic Objective 1: (Tourism)	Strategic Objective 2: (Water)	Strategic Objective 3: (Population)	Special Objective 4: (Others)	Special Objective 5: (EO)	Special Objective 1: (RD&S)	Subtotal S.O. Staff	Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other	Subtotal Support Staff	
USDH	0	1	1	0	1	0	3	1	1	1	0	1	1	0	5	8
USPSC (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
USPSC (Program Funded)	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	1
Total USPSCs	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	1
FSN/TCN Direct Hire (OE/TF)	0	2	0	0	0	0	2	0	2	2	0	0	0	0	4	6
FSN/TCN Non Direct Hire (OE/TF)	0	2	4	0	4	0	10	1	3	10	2	0	3	0	19	29
FSN/TCN Non Direct Hire (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Non Direct Hire	0	2	4	0	4	0	10	1	3	10	2	0	3	0	19	29
Total FSN/TCN (OE/TF)	0	4	4	0	4	0	12	1	5	12	2	0	3	0	23	35
Total FSN/TCN (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	4	4	0	4	0	12	1	5	12	2	0	3	0	23	35
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE/TF Staff (includes USDH)	0	5	5	0	5	0	15	2	6	13	2	1	4	0	28	43
Total Program Funded Staff	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	1
Grand Total All Staff	0	5	5	0	6	0	16	2	6	13	2	1	4	0	28	44

Notes:

* TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can devide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

Totals by Staffing Catagory - FY 1999 Target

								Support Offices								Grand Total Staff
Staff	Strategic Objective 1: (Tourism)	Strategic Objective 2: (Water)	Strategic Objective 3: (Population)	Special Objective 4: (Others)	Special Objective 5: (EO)	Special Objective 1: (RD&S)	Subtotal S.O. Staff	Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other	Subtotal Support Staff	
USDH	0	1	1	0	1	0	3	1	1	1	0	1	1	0	5	8
USPSC (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
USPSC (Program Funded)	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	1
Total USPSCs	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	1
FSN/TCN Direct Hire (OE/TF)	0	2	0	0	0	0	2	0	2	2	0	0	0	0	4	6
FSN/TCN Non Direct Hire (OE/TF)	0	2	4	0	4	0	10	1	3	10	2	0	3	0	19	29
FSN/TCN Non Direct Hire (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Non Direct Hire	0	2	4	0	4	0	10	1	3	10	2	0	3	0	19	29
Total FSN/TCN (OE/TF)	0	4	4	0	4	0	12	1	5	12	2	0	3	0	23	35
Total FSN/TCN (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	4	4	0	4	0	12	1	5	12	2	0	3	0	23	35
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE/TF Staff (includes USDH)	0	5	5	0	5	0	15	2	6	13	2	1	4	0	28	43
Total Program Funded Staff	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	1
Grand Total All Staff	0	5	5	0	6	0	16	2	6	13	2	1	4	0	28	44

Notes:

* TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can devide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

ANNEX B

Organization: JORDAN

[illegible]

Totals by Staffing Catagory - FY 1999 Request

								Support Offices								
Staff	Strategic Objective 1: (title)	Strategic Objective 2: (title)	Strategic Objective 3: (title)	Special Objective 1: (title)	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other	Subtotal Support Staff	Grand Total Staff
USDH	0	1	1	0	1	0	3	1	1	1	0	1	1	0	5	8
USPSC (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
USPSC (Program Funded)	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	1
Total USPSCs	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	1
FSN/TCN Direct Hire (OE/TF)	0	2	0	0	0	0	2	0	2	2	0	0	0	0	4	6
FSN/TCN Non Direct Hire (OE/TF)	0	2	4	0	4	0	10	1	3	10	2	0	3	0	19	29
FSN/TCN Non Direct Hire (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Non Direct Hire	0	2	4	0	4	0	10	1	3	10	2	0	3	0	19	29
Total FSN/TCN (OE/TF)	0	4	4	0	4	0	12	1	5	12	2	0	3	0	23	35
Total FSN/TCN (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	4	4	0	4	0	12	1	5	12	2	0	3	0	23	35
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE/TF Staff (includes USDH)	0	5	5	0	5	0	15	2	6	13	2	1	4	0	28	43
Total Program Funded Staff	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	1
Grand Total All Staff	0	5	5	0	6	0	16	2	6	13	2	1	4	0	28	44

Notes:

* TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can devide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

OE-23278.wk4

OC

Org. Title: <u>JORDAN</u>		ANNEX						C					
Org. No: <u>278.0</u>													
OC													
		FY 97			FY 98			Requested FY 99			Targeted FY 99		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH	140.4		140.4	148.6		148.6	149.7		149.7	149.7		149.7
Subtotal OC 11.1		140.4	0.0	140.4	148.6	0.0	148.6	149.7	0.0	149.7	149.7	0.0	149.7
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
Subtotal OC 11.3		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH	0.7		0.7	1.4		1.4	1.4		1.4	1.4		1.4
11.5	FNDH	24.8		24.8	26.0		26.0	26.1		26.1	26.1		26.1
Subtotal OC 11.5		25.5	0.0	25.5	27.4	0.0	27.4	27.5	0.0	27.5	27.5	0.0	27.5
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	7.0		7.0	7.0		7.0	32.0		32.0	32.0		32.0
11.8	FN PSC Salaries	407.2	211.3	618.5	425.1	261.0	686.1	699.6	0.0	699.6	699.6	0.0	699.6
11.8	IPA/Details-In/PASAs/RSSAs Salaries	0.0		0.0			0.0	0.0		0.0	0.0		0.0
Subtotal OC 11.8		414.2	211.3	625.5	432.1	261.0	693.1	731.6	0.0	731.6	731.6	0.0	731.6
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	144.2		144.2	146.9		146.9	167.1		167.1	167.1		167.1
12.1	Cost of Living Allowances	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
12.1	Home Service Transfer Allowances	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
12.1	Quarters Allowances	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
12.1	Other Misc. USDH Benefits	1.6		1.6	2.4		2.4	4.0		4.0	4.0		4.0
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FSN Separation Fund - FNDH	27.1		27.1	26.3		26.3	12.7		12.7	12.7		12.7
12.1	Other FNDH Benefits	12.4		12.4	13.1		13.1	13.2		13.2	13.2		13.2
12.1	US PSC Benefits			0.0			0.0	0.0		0.0	0.0		0.0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Payments to the FSN Separation Fund - FN PSC	22.3		22.3	28.2		28.2	20.2		20.2	20.2		20.2
12.1	Other FN PSC Benefits	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
12.1	IPA/Detail-In/PASA/RSSA Benefits	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
Subtotal OC 12.1		207.6	0.0	207.6	216.9	0.0	216.9	217.2	0.0	217.2	217.2	0.0	217.2
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
13.0	Other Benefits for Former Personnel - FNDH	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
13.0	Other Benefits for Former Personnel - FN PSCs	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
Subtotal OC 13.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Org. Title: JORDANOrg. No: 278.0

OC

21.0 **Travel and transportation of persons**21.0 **Training Travel**21.0 **Mandatory/Statutory Travel**

21.0 Post Assignment Travel - to field

21.0 Assignment to Washington Travel

21.0 Home Leave Travel

21.0 R & R Travel

21.0 Education Travel

21.0 Evacuation Travel

21.0 Retirement Travel

21.0 Pre-Employment Invitational Travel

21.0 Other Mandatory/Statutory Travel

21.0 **Operational Travel**

21.0 Site Visits - Headquarters Personnel

21.0 Site Visits - Mission Personnel

21.0 Conferences/Seminars/Meetings/Retreats

21.0 Assessment Travel

21.0 Impact Evaluation Travel

21.0 Disaster Travel (to respond to specific disasters)

21.0 Recruitment Travel

21.0 Other Operational Travel

Subtotal OC 21.022.0 **Transportation of things**

22.0 Post assignment freight

22.0 Home Leave Freight

22.0 Retirement Freight

22.0 Transportation/Freight for Office Furniture/Equip.

22.0 Transportation/Freight for Res. Furniture/Equip.

Subtotal OC 22.023.2 **Rental payments to others**

23.2 Rental Payments to Others - Office Space

23.2 Rental Payments to Others - Warehouse Space

23.2 Rental Payments to Others - Residences

Subtotal OC 23.223.3 **Communications, utilities, and miscellaneous charges**

23.3 Office Utilities

23.3 Residential Utilities

23.3 Telephone Costs

23.3 ADP Software Leases

23.3 ADP Hardware Lease

23.3 Commercial Time Sharing

23.3 Postal Fees (Other than APO Mail)

23.3 Other Mail Service Costs

23.3 Courier Services

Subtotal OC 23.3

ANNEX						C					
FY 97			FY 98			Requested FY 99			Targeted FY 99		
Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
6.0		6.0	10.0		10.0	8.0		8.0	8.0		8.0
Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.5		12.5	16.0		16.0	17.0		17.0	17.0		17.0
8.0		8.0	8.0		8.0	14.0		14.0	14.0		14.0
6.0		6.0	21.5		21.5	13.0		13.0	13.0		13.0
36.5		36.5	23.0		23.0	25.5		25.5	25.5		25.5
0.0		0.0	0.0		0.0	2.0		2.0	2.0		2.0
0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
10.0		10.0	10.0		10.0	10.0		10.0	10.0		10.0
Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
5.0		5.0	10.0		10.0	10.0		10.0	10.0		10.0
8.0		8.0	9.0		9.0	9.0		9.0	9.0		9.0
30.7		30.7	42.7		42.7	46.1		46.1	46.1		46.1
0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
20.2		20.2	21.8		21.8	21.8		21.8	21.8		21.8
142.9	0.0	142.9	172.0	0.0	172.0	176.4	0.0	176.4	176.4	0.0	176.4
Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
75.0		75.0	75.0		75.0	100.0		100.0	100.0		100.0
4.0		4.0	12.0		12.0	11.0		11.0	11.0		11.0
0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
3.5		8.5	9.8		9.8	9.8		9.8	9.8		9.8
12.5		7.5	6.2		6.2	6.2		6.2	6.2		6.2
95.0	0.0	95.0	103.0	0.0	103.0	127.0	0.0	127.0	127.0	0.0	127.0
Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
13.4		13.4	13.4		13.4	13.4		13.4	13.4		13.4
167.6		167.6	180.1		180.1	162.7		162.7	162.7		162.7
181.0	0.0	181.0	193.5	0.0	193.5	176.1	0.0	176.1	176.1	0.0	176.1
Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
1.2		1.2	1.2		1.2	1.2		1.2	1.2		1.2
36.1		36.1	35.3		35.3	31.4		31.4	31.4		31.4
30.0		30.0	30.0		30.0	30.0		30.0	30.0		30.0
3.0		3.0	3.0		3.0	3.0		3.0	3.0		3.0
7.5		7.5	7.5		7.5	7.5		7.5	7.5		7.5
0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
2.6		2.6	2.6		2.6	2.6		2.6	2.6		2.6
8.4		8.4	8.4		8.4	8.4		8.4	8.4		8.4
88.8	0.0	88.8	88.0	0.0	88.0	84.1	0.0	84.1	84.1	0.0	84.1

OVERSEAS MISSION BUDGET REQUEST

OE-23278.wk4

Org. Title: JORDANOrg. No: 278.0

OC

				ANNEX			C					
				FY 97			FY 98			Requested FY 99		
				Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
24.0	Printing and Reproduction			1.0		1.0	1.0		1.0	1.0		1.0
	Subtotal OC 24.0			1.0	0.0	1.0	1.0	0.0	1.0	1.0	0.0	1.0
25.1	Advisory and assistance services			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations			1.0		1.0	1.0		1.0	1.0		1.0
25.1	Management & Professional Support Services			10.0		10.0	10.0		10.0	10.0		10.0
25.1	Engineering & Technical Services			0.0		0.0	0.0		0.0	0.0		0.0
	Subtotal OC 25.1			11.0	0.0	11.0	11.0	0.0	11.0	11.0	0.0	11.0
25.2	Other services			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards			0.0		0.0	0.0		0.0	0.0		0.0
25.2	Residential Security Guard Services			28.1		28.1	40.0		40.0	45.0		45.0
25.2	Official Residential Expenses			0.0		0.0	0.0		0.0	0.0		0.0
25.2	Representation Allowances			1.1		1.1	1.1		1.1	1.1		1.1
25.2	Non-Federal Audits			23.8		23.8	0.0		0.0	10.0		10.0
25.2	Grievances/Investigations			0.0		0.0	0.0		0.0	0.0		0.0
25.2	Insurance and Vehicle Registration Fees			0.3		0.3	0.3		0.3	0.3		0.3
25.2	Vehicle Rental			0.0		0.0	0.0		0.0	0.0		0.0
25.2	Manpower Contracts			0.0		0.0	0.0		0.0	0.0		0.0
25.2	Records Declassification & Other Records Services					0.0	0.0		0.0	0.0		0.0
25.2	Recruiting activities					0.0	0.0		0.0	0.0		0.0
25.2	Penalty Interest Payments					0.0	0.0		0.0	0.0		0.0
25.2	Other Miscellaneous Services			4.5		4.5	4.8		4.8	4.8		4.8
25.2	Staff training contracts			7.5		7.5	7.5		7.5	7.5		7.5
25.2	ADP related contracts			6.0		6.0	6.0		6.0	6.0		6.0
	Subtotal OC 25.2			71.3	0.0	71.3	59.7	0.0	59.7	74.7	0.0	74.7
25.3	Purchase of goods and services from Government accounts			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS			0.0		0.0	400.0		400.0	410.0		410.0
25.3	All Other Services from Other Gov't. accounts			0.0		0.0	0.0		0.0	0.0		0.0
	Subtotal OC 25.3			0.0	0.0	0.0	400.0	0.0	400.0	410.0	0.0	410.0
25.4	Operation and maintenance of facilities			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance			1.5		1.5	1.5		1.5	1.5		1.5
25.4	Residential Building Maintenance			10.0		10.0	10.0		10.0	10.0		10.0
	Subtotal OC 25.4			11.5	0.0	11.5	11.5	0.0	11.5	11.5	0.0	11.5
25.6	Medical Care			0.0		0.0	0.0		0.0	0.0		0.0
	Subtotal OC 25.6			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.7	Operation/maintenance of equipment & storage of goods			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs					0.0			0.0			0.0
25.7	Storage Services					0.0			0.0			0.0
25.7	Office Furniture/Equip. Repair and Maintenance			9.0		9.0	9.0		9.0	9.0		9.0
25.7	Vehicle Repair and Maintenance			7.5		7.5	10.7		10.7	10.7		10.7
25.7	Residential Furniture/Equip. Repair and Maintenance			0.0		0.0	0.0		0.0	0.0		0.0
	Subtotal OC 25.7			16.5	0.0	16.5	19.7	0.0	19.7	19.7	0.0	19.7

Org. Title: JORDAN
Org. No: 278.0
OC

Org. Title: JORDAN Org. No: 278.0 OC		ANNEX C											
		FY 97			FY 98			Requested FY 99			Targeted FY 99		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.8	Substance and support of persons (by contract or Gov't.)	0.0		0.0	0.0		0.0		0.0		0.0		0.0
	Subtotal OC 25.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26.0	Supplies and materials	65.4		65.4	70.6		70.6		71.2		71.2		71.2
	Subtotal OC 26.0	65.4	0.0	65.4	70.6	0.0	70.6	71.2	0.0	71.2	71.2	0.0	71.2
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	14.8		14.8	17.0		17.0	16.3		16.3	16.3		16.3
31.0	Purchase of Office Furniture/Equip.	22.0		22.0	32.0		32.0	37.0		37.0	37.0		37.0
31.0	Purchase of Vehicles	25.0		25.0	24.0		24.0	24.0		24.0	24.0		24.0
31.0	Purchase of Printing/Graphics Equipment			0.0	0.0		0.0	0.0		0.0	0.0		0.0
31.0	ADP Hardware purchases	10.0		10.0	54.0		54.0	69.0		69.0	69.0		69.0
31.0	ADP Software purchases	10.0		10.0	15.0		15.0			0.0			0.0
	Subtotal OC 31.0	81.8	0.0	81.8	142.0	0.0	142.0	146.3	0.0	146.3	146.3	0.0	146.3
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& construction of bldgs.)	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
32.0	Purchase of fixed equipment for buildings	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
32.0	Building Renovations/Alterations - Office	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
32.0	Building Renovations/Alterations - Residential	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
	Subtotal OC 32.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
42.0	Claims and indemnities	0.0		0.0	0.0		0.0	0.0		0.0	0.0		0.0
	Subtotal OC 42.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL BUDGET	1,553.9	211.3	1,765.2	2,097.0	261.0	2,358.0	2,435.0	0.0	2,435.0	2,435.0	0.0	2,435.0

The following line is to be used to show your estimate of FY 98 and FY 99 Program Funded ICASS costs.
Enter dollars in thousands - same format as above.

	FY 98 Est.	FY 99 Est.
ICASS - Program Funded	40.0	41.0

GOBAL FIELD SUPPORT

Objective Name	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)					
				FY 1997		FY 1998		FY 1999	
				Obligated by:		Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau
S.O.3: Increased Practice of Family Planning Methods with an Emphasis on Modern Methods	936-3018 Contraceptive Procurement	High	3 Years (1997-99)	-	50	-	70	-	80
	936-3038 Family Planning Logistics Management	High	2 Years (1997-98)	-	600	-	430	-	-
	936-3052 Population Communication Services	High	3 Years (1997-99)	240	600	-	500	-	250
	936-3078 Policy Project	High	2 Years (1997-98)	-	200	-	500	-	-
	936-3046 Demographic Data Initiative	High	3 Years (1997-99)	-	200	-	-	-	200
	936-3023 Demographic Health Survey	High	1 Year (1997)	-	250	-	-	-	-
	936-3063 Measure	High	2 Years (1998-99)	-	-	-	200	-	140
	936-5974 Parnterships for Health Reform	High	3 Years (1997-99)	1,000	-	2,000	-	500	-
	936-5592 Quality Assurance Project II	Medium	1 Year (1997)	500	-	-	-	-	-
	936-3051 Contraceptive Social Marketing	High	1 Year (1997)	500	-	-	-	-	-
	936-3082 Linkages	Medium-high	2 Years (1997-98)	-	200	-	200	-	-
	930-0100 WIDTECH	Medium	2 Years (1997-98)	-	80	-	100	-	-
GRAND TOTAL.....				2,240	2,180	2,000	2,000	500	670

* For Priorities use high, medium-high, medium, medium-low, low

GLOBAL FIELD SUPPORT

Objective Name	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)					
				F Y 1 9 9 7		F Y 1 9 9 8		F Y 1 9 9 9	
				Obligated by:		Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau
S.O.2 Improved water resources management	AAA's, HRN-G-95-00017-00	high	3 years	250	-----		-----		-----
	ANE "FORWARD" ACTIVITY, 298-0383	Medium/High	2 years	250					
	EPIS IQC, PCE-I-OO-96-OOOO2-00	Medium	3 Years	100		100		100	
GRAND TOTAL.....				600	-----	100	-----	100	-----

*For Priorities use high, medium-high, medium, medium-low, low

GLOBAL FIELD SUPPORT

Objective Name	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)					
				F Y 1 9 9 7		F Y 1 9 9 8		F Y 1 9 9 9	
				Obligated by:		Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau
S.O.5: Economic Growth	940-4006 Microenterprise Innovation Project / Prime	high	1 years	250	0	----	-----	---	-----
	940-4006 Microenterprise Innovation Project /MICRO	high	1 years	0	200				
	930-0100 WIDTECH	high	1 years	0	100				
	940- 'Private Enterprise Dev. & Support (under SEG)	high	1 years	0	120				
GRAND TOTAL.....				250	420	---	-----	---	-----

*For Priorities use high, medium-high, medium, medium-low, low

TRUST FUNDS & FSN SEPARATION FUND

FN-23278.WK4

Orgno.: 278
 Org. Title: Jordan

ANNEX E**Foreign National Voluntary Separation Account**

Action	FY 97			FY 98			FY 99		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits	49.4	0.0	49.4	54.5	0.0	54.5	32.9	0.0	32.9
Withdrawals	10.0	0.0	10.0	10.0	0.0	10.0	25.0	0.0	25.0

Local Currency Trust Funds - Regular (\$000s)

	FY 97	FY 98	FY 99
Balance Start of Year	50.0	50.0	0.0
Obligations	211.0	261.0	0.0
Deposits	211.0	211.0	0.0
Balance End of Year	50.0	0.0	0.0

Trust Funds in Dollar Equivalents, not in Local Country Equivalents**Local Currency Trust Funds - Real Property (\$000s)**

	FY 97	FY 98	FY 99
Balance Start of Year	0.0	0.0	0.0
Obligations	0.0	0.0	0.0
Deposits	0.0	0.0	0.0
Balance End of Year	0.0	0.0	0.0

Trust Funds in Dollar Equivalents, not in Local Country Equivalents

ANNEX F

Proposed Modifications to Strategic Objective Two and Rationale

ANNEX F

Proposed Modifications to Strategic Objective Two and Rationale for Proposed Changes

The March 1996 R4 agreement cable (State 60395) requested that the Mission reexamine its indicators under this Strategic Objective to ensure that "(a) [the indicators] are the most effective measures to use; (b) targets are realizable; and (c) performance data collection is practicable." The cable also stated that "there seems to be a continued disconnect between what USAID/Jordan is actually doing with its program and what is conveyed by Strategic Objective 2 and its indicators."

Over the past year, the Mission worked closely with ANE and Global staff to improve the Strategic Objective and the performance monitoring plan. Visits to Jordan by ANE/SEA and G/ENV staff in September and December 1996 as well as frequent e-mail input greatly facilitated this process. As a result, the Strategic Objective statement as well as intermediate result statements and indicators have been revised. These revisions significantly improve the Strategic Objective and the Performance Monitoring Plan. They also more accurately reflect the Mission's water sector objectives.

The Performance Analysis for SO2 in the body of the R4 uses the proposed new SO/IRs/performance monitoring plan, using several indicators from last year's R4 that are substantially unchanged, as well as several of the proposed new indicators. The body of the R4 does not present the proposed changes, rationale for changes, and baseline performance data for the proposed new indicators. This Annex presents that information.

This Annex contains three tables and a graphic. Table A presents the "old" (FY 96 R4) SO wording, IR wording, and performance monitoring plan, with a rationale for proposed changes in the "Comments" section of the Table. Table B presents the proposed new SO wording, IR wording, and performance monitoring plan, with baseline data and performance data for 1996. Table C shows a side-by-side analysis of the old and new SO/IRs/performance monitoring plan, with rationale for the proposed changes. Figure 1 presents the proposed new results framework in graphical form.

"Old" SO, IR, or indicator, proposed for revision or deletion.

Table A: FY '96 ("Old") SO, IRs, and Performance Monitoring Plan, and Rationale for Proposed Changes/Additions/Deletions

OBJECTIVE: <i>Improved Quality and Increased Quantity of Water Available for Use (Proposed for rewording)</i> APPROVED: 25/03/1997 COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: (SO Level)			
INDICATOR: 2.1 Increase in water available to customers (Proposed for rewording)			
UNIT OF MEASURE: million cubic meters	YEAR	PLANNED	ACTUAL
SOURCE: Ministry of Water and Irrigation Annual Report	1991		435
INDICATOR DESCRIPTION: Cubic meters per annum available at the entry point of WAJ and JVA distribution systems.	1993		
COMMENTS: The SO statement is proposed to be reworded to read "Improved Water Resources Management." The present wording does not adequately reflect what can be accomplished in the sector via USAID intervention. The vast majority of any increase or decrease of the quantity of water available for use would be the result of either 1) precipitation rate; or 2) overpumping of aquifers to meet demand. Some USAID activities could make a small contribution towards increasing the quantity of water available nationwide (e.g., irrigation extension services in the Jordan Valley), but it would be inconsequential compared to natural forces and overpumping, and also when compared to the large investments of major donors that directly impact water availability, such as design of new dams, and rehabilitation of leaking water distribution systems. "Improved Management of Water Resources" best reflects what USAID is trying to accomplish in the sector, and what is feasible to accomplish with our limited investments. Improved management implies looking at both supply and demand-management options. The indicator "Increase in water available to customers" is proposed for deletion for the reasons stated above. Instead, the Mission suggests "Volume of freshwater saved", due in whole or in part to USAID activities. See Table B, Indicator 2.1.	1994	473	510
	1995	526	528
	1996	562	available in 2 to 3 months
	1997	590	
	1998	620	
	1999	650	

"Old" SO, IR, or indicator, proposed for revision or deletion.

OBJECTIVE: <i>Improved Quality and Increased Quantity of Water Available for Use</i> APPROVED: 25/03/1997 COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: (SO Level)			
INDICATOR: 2.2 Increase in wastewater treated to design criteria (<i>Proposed for rewording</i>)			
UNIT OF MEASURE: Million cubic meters <hr/> SOURCE: Ministry of Water and Irrigation Annual Report <hr/> INDICATOR DESCRIPTION: Cubic meters of wastewater treated in accordance with relevant engineering design parameters for the treatment plants at As-Samra (emergency upgrades) and at Wadi Mousa. <hr/> COMMENTS: Proposed for rewording to "Volume of wastewater treated to allow safe use in unrestricted irrigation." Relating the indicator to health standards is more meaningful than relating it to design criteria and is easier to measure.	YEAR	PLANNED	ACTUAL
	1991	0	0
	1993	0	0
	1994	0	0
	1995	0	0
	1996	0	0
	1997	35	
	1998	53	
	1999	53.6	

"Old" SO, IR, or indicator, proposed for revision or deletion.

OBJECTIVE: <i>Improved Quality and Increased Quantity of Water Available for Use (Proposed for rewording)</i> APPROVED: 25/03/97 COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: 2.1 Improved Management of Water Resources			
INDICATOR: 2.1.1 Decrease in unaccounted-for water (Proposed for deletion)			
UNIT OF MEASURE: Ratio SOURCE: WAJ and JVA records INDICATOR DESCRIPTION: Ratio of cubic meters delivered to the tap and billed for to cubic meters delivered at the entry point of the distribution system. COMMENTS: Proposed for deletion because USAID does not have activities that would make a direct, measurable contribution towards decreasing unaccounted-for water at this time. Activities to improve data management will, in the long term, make a contribution in this direction by improving tracking of water bills, but this contribution is insignificant when compared to that of major donors (German government, World Bank), who are funding rehabilitation of water networks, and promoting private sector management. In theory, the FORWARD activities involving water tariffs could also make a contribution over the long haul, but there are several steps between the studies under FORWARD and measurable changes in the field. In the future, the Mission may propose to add this indicator if we join in with the World Bank in their project which will involve private sector management and rehabilitation of the physical infrastructure, or if FORWARD undertakes activities that directly address unaccounted-for water. To be clear: The Mission intends to continue to assist the GOJ to reduce unaccounted-for water. The activities under way now, however, are several steps removed from resulting in measurable changes on the ground directly attributable to our efforts. If new activities are initiated that will make a major contribution to measurable changes on the ground in reducing unaccounted-for water, then the mission will propose to add this indicator back in.	YEAR	PLANNED	ACTUAL
	1991		49%
	1993		
	1994		54%
	1995		56%
	1996	58%	data available in 2-3 months
	1997	60%	
	1998	62%	
	1999	64%	

"Old" SO, IR, or indicator, proposed for revision or deletion.

OBJECTIVE: <i>Improved Quality and Increased Quantity of Water Available for Use (Proposed for rewording)</i> APPROVED: 25/03/97 COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: 2.1 Improved management of water resources			
INDICATOR: 2.1.2 Increase in O&M costs recovered (Proposed for rewording)			
UNIT OF MEASURE: Ratio SOURCE: WAJ and JVA records INDICATOR DESCRIPTION: Revenues collected divided by O&M costs. COMMENTS: This indicator is proposed for rewording because it is not the best measure of what the Mission is doing in the sector. The indicator was adopted as a broad measure of sound water resources management. However, it is too broad to reflect USAID activities in the sector, i.e. no USAID activities directly address this indicator as presently phrased. Rather, an indicator which directly measures the capacity for effecting policy change would reflect USAID activities under WQIC and under FORWARD. Such an indicator is proposed in Table B (Indicator 2.1.4) The Mission intends to continue to assist the GOJ to increase cost recovery. The activities under way now, however, are several steps removed from resulting in measurable changes on the ground directly attributable to our efforts. If new activities are initiated that will make a major contribution to measurable changes on the ground in cost recovery, then the mission will propose to add this indicator back in. The FORWARD activity could, if continued after the initial study stage, do this.	YEAR	PLANNED	ACTUAL
	1991		43%
	1993		
	1994		
	1995	50% ¹	67% ¹ 80% ²
	1996		
	1997	70% ¹ 90% ²	
	1998		
	1999		

¹ When interest on loans is included

² When interest on loans is not included

"Old" SO, IR, or indicator, proposed for revision or deletion.

OBJECTIVE: <i>Improved Quality and Increased Quantity of Water Available for Use (Proposed for rewording)</i> APPROVED: 25/03/97 COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: 2.2 <i>Increased conservation and efficient use of water resources</i>			
INDICATOR: 2.2.1 <i>Increase in efficiency in irrigation water use in the Zarqa Triangle of the Jordan Valley (Proposed for rewording)</i>			
UNIT OF MEASURE: Ratio <hr/> SOURCE: <i>Direct measure via a study conducted for the purpose of collecting this data.</i> <hr/> INDICATOR DESCRIPTION: <i>Efficiency measure is comprised of two distinct components: a measure of physical system performance and a measure of system management.</i> <hr/> COMMENTS: <i>This indicator is proposed for minor rewording to make clear that technical (vs. economic) efficiency is being addressed and to reduce the number and complexity of the elements to be measured. See Table B, Indicator 2.2.1.</i>	YEAR	PLANNED	ACTUAL
	1994		<u>Winter</u> open field = 56% plastic houses = 42% <u>Summer</u> open field = 80% plastic houses = 61%
	1995	<u>Winter</u> open field = 56% plastic houses = 42% <u>Summer</u> open field = 80% plastic houses = 61%	
	1996	<u>Winter</u> open field = 60% plastic houses = 50% <u>Summer</u> open field = 80% plastic houses = 65%	
	1997	<u>Winter</u> open field = 65% plastic houses = 55% <u>Summer</u> open field = 80% plastic houses = 70%	

"Old" SO, IR, or indicator, proposed for revision or deletion.

	<p><i>1998</i></p> <p><u>Winter</u> <i>open field</i> = 70% <i>plastic houses</i> = 60%</p> <p><u>Summer</u> <i>open field</i> = 80% <i>plastic houses</i> = 75%</p>	
	<p><i>1999</i></p> <p><u>Winter</u> <i>open field</i> = 75% <i>plastic houses</i> = 70%</p> <p><u>Summer</u> <i>open field</i> = 80% <i>plastic houses</i> = 80%</p>	

"Old" SO, IR, or indicator, proposed for revision or deletion.

OBJECTIVE: <i>Improved Quality and Increased Quantity of Water Available for Use (Proposed for rewording)</i> APPROVED: 25/03/97 COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: 2.2 <i>Increased conservation and efficient use of water resources</i>			
INDICATOR: 2.2.2 <i>Increase in percent of industries adopting clean technology measures in Zarqa Basin (Proposed for deletion)</i>			
UNIT OF MEASURE: Ratio SOURCE: Amman Chamber of Industries INDICATOR DESCRIPTION: Number of industries adopting clean technologies as a percentage of all industries in the Zarqa Basin. Industries meeting GOJ industrial discharge standards are considered to have adopted clean technology measures. COMMENTS: This indicator is proposed for deletion because USAID/Amman is discontinuing its activities in promoting clean technologies, in response to 1) concerns that the SO2 program was spread too thin and trying to accomplish too much with scarce resources; and 2) the Amman Chamber of Industries has not met staffing commitments needed for successful implementation of the clean technology program.	YEAR	PLANNED	ACTUAL
	1991		48%
	1993		
	1994		
	1995	50%	76%
	1996	55%	data available in 2 - 3 months
	1997	60%	
	1998	65%	
	1999	70%	

NOTE: "Old" indicator 2.2.3, which measured public awareness of water scarcity issues, is essentially unchanged, and is presented in Table B of this Appendix.

"Old" SO, IR, or indicator, proposed for revision or deletion.

OBJECTIVE: <i>Improved Quality and Increased Quantity of Water Available for Use</i> APPROVED: 25/03/97 COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: 2.3 <i>Increased quantity of water and improved quality of wastewater produced by Khirbet As-Samra and Wadi Mousa</i>			
INDICATOR: 2.3.1 <i>Percent increase in potable water delivered in the Wadi Mousa area (Proposed for deletion)</i>			
UNIT OF MEASURE: Ratio <hr/> SOURCE: WAJ records <hr/> INDICATOR DESCRIPTION: Ratio of total cubic meters of potable water delivered per annum in the Wadi Mousa area to 1991 value. <hr/> COMMENTS: <i>Proposed for deletion because USAID is no longer involved in the Wadi Mousa water system. Design has been completed, and donor/GOJ funding for construction has been committed. USAID's accomplishment will be counted under proposed new SO indicator "Number of USAID-funded TA activities that lead to infrastructure financing by the GOJ, other donors, multilateral lending institutions, and/or the private sector" (see Table B, Indicator 2.2).</i>	YEAR	PLANNED	ACTUAL
	1991		1.2 mcm
	1993	16%	
	1994	20%	
	1995	50%	
	1996	66%	
	1997	90%	
	1998	100%	
	1999	115%	

"Old" SO, IR, or indicator, proposed for revision or deletion.

OBJECTIVE: <i>Improved Quality and Increased Quantity of Water Available for Use</i> APPROVED: 25/03/1997 COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: 2.3 Increased quantity of water and improved quality of wastewater produced by Khirbet As-Samra and Wadi Mousa (<i>Proposed for rewording</i>)			
INDICATOR: 2.3.2 Increase in wastewater treated to design criteria at As-Samra and Wadi Mousa facilities (<i>Proposed for rewording</i>)			
UNIT OF MEASURE: Cubic meters SOURCE: WAJ records INDICATOR DESCRIPTION: Cubic meters of wastewater treated in accordance with relevant design parameters at (a) As-Samra (emergency upgrades) and (b) Wadi Mousa. COMMENTS: This result is proposed for rewording to "Improved quality of wastewater". This is broader and allows USAID to work towards improved quality in areas other than As-Samra and Wadi Mousa. Two indicators are proposed to replace the indicator: "Percent of wastewater treated at Wadi Mousa to allow safe use in unrestricted irrigation", and "Percent of wastewater treated at As-Samra to allow safe use in unrestricted irrigation" (see Table B, Indicators 2.3.1 and 2.3.2). Additional indicators may be added if USAID addresses wastewater quality in other areas of the country. By using "percent of" instead of "volume of", the impact of the efforts is clearer; measuring treatment to safe use standards (defined as WHO health standards) is more meaningful than measuring treatment to design criteria, and is easier to measure.	YEAR	PLANNED	ACTUAL
	1991		As-Samra = 0 Wadi Mousa = 0
	1993	0,0	
	1994	0,0	
	1995	0,0	
	1996	0,0	
	1997	As-Samra = 35 mcm Wadi Mousa = 0	
	1998	As-Samra = 54 mcm Wadi Mousa = 0.6 mcm	
	1999	As-Samra = 59 mcm Wadi Mousa = 0.7 mcm	

Proposed new SO, IR, or indicator. Will be used in this, and in future, R4s.

TABLE B: PROPOSED REWORDED SO STATEMENT, REWORDED IRs, AND PERFORMANCE MONITORING PLAN

OBJECTIVE: <i>Improved Water Resources Management</i> APPROVED: xx/xx/xx COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: (SO Level)			
INDICATOR: 2.1 Volume of freshwater saved			
UNIT OF MEASURE: Cubic Meters SOURCE: Ministry of Water and Irrigation records; surveys of technical irrigation efficiency INDICATOR DESCRIPTION: Cumulative cubic meters of water made available as a result (in whole or in part) of USAID activities. These activities include increased technical efficiency in irrigation, rehabilitation of stream water quality such that water can be put to more effective use, and other such activities that might be initiated in the near future. Could include activities that increase water supply (good water resources management considers supply options as well as demand management). "Saved" in this context encompasses water savings through improvements in efficiency, through preservation of the quality of water, and through storage. The water saved in 1996 and 1997 will be used for irrigation in the Jordan Valley. COMMENTS: Nine MCM of the water saved in 1996 is due to construction of a conveyance system to divert saline spring water from the Zarqa River, allowing the water (which originates at the King Talal Reservoir, in which As-Samra treatment plant effluent is stored for reuse) to be used more efficiently (less water needed for leaching of salts), more productively (agricultural production per cubic meter of water is higher for lower salinity waters), and for a wider range of crops. (The same conveyance system will save 35 MCM of water in 1997, when it has been in operation for a full year. Added to the 7.8 MCM of savings expected from increased technical efficiency of irrigation [Indicator 2.2.1], the target for 1997 is 42.8 MCM of water saved.) Presently, targets for 1998 and 1999 encompass expected savings from increased technical efficiency of irrigation water use only. These targets may be increased following development of new activities which would begin in FY 1998.	YEAR	PLANNED	ACTUAL
	1994		
	1995		
	1996	(new indicator)	9 MCM
	1997	42.8	
	1998	57.1	
	1999	84.4	

Proposed new SO, IR, or indicator. Will be used in this, and in future, R4s.

OBJECTIVE: Improved Water Resources Management APPROVED: xx/xx/xx COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: (SO Level)			
INDICATOR: 2.2 Volume of wastewater treated to allow safe use in irrigation			
UNIT OF MEASURE: Cubic Meters SOURCE: WAJ records for treatment plant effluents (quality and quantity) INDICATOR DESCRIPTION: Cubic meters of water that meets WHO safety standards for unrestricted irrigation. COMMENTS: Most of the increase will be due to improved treatment at As-Samra, which represents approximately percent of the wastewater treated in Jordan. Critical Assumptions: Emergency upgrading of As-Samra wastewater treatment plant completed in early 1997. Also mobilization of financing in 1996 and completion of construction of Wadi Mousa facility in 1998. Flow rates continue to increase at current rates. Ministry of Health continues to allow chlorination of effluent.	YEAR	PLANNED	ACTUAL
	1995	0	0
	1996	0	0
	1997	35 MCM	
	1998	53 MCM	
	1999	59.6 MCM	

Proposed new SO, IR, or indicator. Will be used in this, and in future, R4s.

OBJECTIVE: Improved Water Resources Management APPROVED: xx/xx/xx COUNTRY/ORGANIZATION: USAID/Amman			
RESULT NAME: (SO Level)			
INDICATOR: 2.3 Number of USAID-funded technical assistance activities leveraged into infrastructure financing by the GOJ, other donors, multilateral lending institutions, or the private sector.			
UNIT OF MEASURE: Number of studies (cumulative) SOURCE: Discussions with donors, multilateral lending institutions, GOJ Ministries of Planning and of Finance. INDICATOR DESCRIPTION: Number of planning or design activities which donors, multilateral lending institutions, the private sector, and/or the GOJ firmly commit to fund the implementation of, orally or in writing. COMMENTS: In the case of the Greater Amman wastewater master plan, each component of the plan is considered one unit for funding purposes, resulting in five TA activities for funding (i.e. collection system, conveyance system, two treatment plants, and expansion of the Ain Ghazal headworks). The conveyance system and Ain Ghazal headworks expansion TA activities (i.e. an emergency upgrade design and feasibility study, funded by USAID) actually occurred prior to the greater Amman master plan activity, but are counted here, because these are important elements of the master plan. The preliminary engineering and environmental assessment for the conveyance system to separate saline springs from the irrigation water supply (Zarqa River) leveraged \$350,000 in USAID funds into \$7 million in construction from the Arab Fund. The engineering design and environmental assessment for the Wadi Mousa water system leveraged \$1 million in USAID funds into \$13 million in construction funds from the GOJ and other donors. ++: WQIC MIS design report of 1995 used by KFW to upgrade computer operations for King Abdullah Canal, by JVA to upgrade all Amman offices (CIP funds) and by WAJ to upgrade a portion of their system (CIP funds). Critical Assumptions: GOJ, other donors, multilateral lending institutions, private parties are willing to make the necessary investments in the water sector.	YEAR	PLANNED	ACTUAL
	1995	0	2 (conveyance system and Ain Ghazal headworks expansion)
	1996	1	2++ (Conveyance system to divert saline springs from Zarqa River; Wadi Mousa water system.)
	1997	3	
	1998	4	
	1999	5	

Proposed new SO, IR, or indicator. Will be used in this, and in future, R4s.

OBJECTIVE: Improved Water Resources Management APPROVED: xx/xx/xx COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: 2.1 Stronger Water Sector Institutions			
INDICATOR: 2.1.1 Water Resources Information System Development Index			
UNIT OF MEASURE: Index points SOURCE: Ministry of Water and Irrigation records and contractor (DAI) quarterly reports. INDICATOR DESCRIPTION: The Index measures progress towards a fully functional water resources data management system. Each item counts as one point. Definitions of "designed", "operational", "upgraded", "trained", etc. can be obtained from the [anticipated] DAI SOW modification. a. MIS designed b. MIS installed c. MIS operational d. WAJ lab upgraded e. JVA lab upgraded f. Lab personnel trained g. New monitoring plans designed h. New monitoring stations installed and operational i. Existing monitoring stations rehabilitated and operational j. Collection of water use data improved by improving function of water meters in the middle Jordan Valley (rehabilitation of Tel Al Thahab weir) k. Selected databases are regionally compatible (Numbers in parentheses denote number of X, e.g. "h (20)" indicates 20 new monitoring stations are operational.) COMMENTS: Critical assumption: MWI continues with current commitment to unified databases, despite difficulties that will arise during harmonization of existing (conflicting) databases. GOJ and other regional parties (Palestinian and Israeli) continue commitment to regionally compatible databanks (k).	YEAR	PLANNED	ACTUAL
	1994		
	1995	a g (4)	a g (4)
	1996	g (34) h (20) i (35)	g (24) h (20) i (14)
	1997	d, e, f b (2) g (10) h (20) i (50)	
	1998	c (2) b (1) j	
	1999	c (1) k	

Proposed new SO, IR, or indicator. Will be used in this, and in future, R4s.

OBJECTIVE: Improved Water Resources Management APPROVED: 25/03/1996 COUNTRY/ORGANIZATION:			
RESULT NAME: 2.1 Stronger Water Sector Institutions			
INDICATOR: 2.1.2 Number of people with awareness of conservation and scarcity issues			
UNIT OF MEASURE: Number of people (gender- and age-disaggregated) SOURCE: Records of the Jordan Environment Society INDICATOR DESCRIPTION: Gender- and age-disaggregated number of people who have received public information material regarding water scarcity and conservation issues. COMMENTS: Target for each year is 20% increase over previous year. (WRE has considered changing this indicator to one which measures behavior change as a result of public awareness. We decided to keep the current indicator because our investment in this result is relatively small (approximately \$500,000 over four years spread out over the entire Jordanian population). Measurable significant behavior change would require a much higher investment over a smaller audience, and over a long period of time. We strongly believe that the public awareness effort is still very valuable as, in an emerging democracy such as Jordan, there is inherent value in having the population informed about the country's most critical issues.) In addition to the numbers of people counted under this indicator, a much larger (but not readily determinable) number are reached through media coverage of USAID-funded events, posters, and advertisements.	YEAR	PLANNED	ACTUAL
	1993	0	0
	1994	None established	male = 1965 female = 1620
	1995	(20% increase over 1994) male = 2400 female = 2400	male = 5247 female = 5615
	1996	(20% increase over 1994) male = 6300 female = 6700	male = 10,106 female = 10186
	1997	20% increase over 1996	
	1998	20% increase over 1997)	

Proposed new SO, IR, or indicator. Will be used in this, and in future, R4s.

OBJECTIVE: Improved Water Resources Management APPROVED: xx/xx/xx COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: 2.1 Stronger Water Sector Institutions			
INDICATOR: 2.1.3 Index of the sustainability of the Jordan Environment Society			
UNIT OF MEASURE: Index points SOURCE: Records of Jordan Environment Society (JES) INDICATOR DESCRIPTION: Three point index consisting of: <i>a. Fraction of JES revenues from non-USAID sources increases by 5% per year;</i> <i>b. Number of active JES branches increases by 5% per year (three year running average);</i> <i>c. Number of JES members increases by 10% per year (three year running average).</i> <i>Meeting a, b, or c in each year yields one point, for a maximum of three points each year, cumulative over the years.</i> COMMENTS: <i>The reason why element (a) of the index would not have been met in 1995 (if this was an indicator at that time, which it was not) is that in 1994, the total JES revenue was small (84,000 JD), and USAID's grant began late in the year, contributing only 20,000 JD. In 1995, the JES revenue grew to 204,000 JD, with the USAID contribution becoming a proportionally larger portion of the revenue (84,000 JD).</i> <i>Revenue figures for JES for 1996 will be available in April 1997, when the annual audit is complete.</i>	YEAR	PLANNED	ACTUAL
	1994		<i>a. 75% of budget is from non-USAID sources</i> <i>b. 12 branches</i> <i>c. 2141 members</i> <i>0 points (baseline)</i>
	1995	<i>new indicator in 1997</i>	<i>a. 58%</i> <i>b. 18</i> <i>c. 2979</i>
	1996	<i>a. 5% increase (from 58% to 63%)</i> <i>b. 5% increase (from 18 to 19)</i> <i>c. 5% increase (from 2979 to 3128)</i>	<i>2-year running averages:</i> <i>a. not yet available</i> <i>b. 11.5%</i> <i>c. 35%</i> <i>Achieved two of three points</i>
	1997 1998 1999	6 9 12	

Proposed new SO, IR, or indicator. Will be used in this, and in future, R4s.

OBJECTIVE: <i>Improved Water Resources Management</i> APPROVED: <i>xx/xx/xx</i> COUNTRY/ORGANIZATION: <i>USAID/Jordan</i>			
RESULT NAME: <i>2.1 Stronger Water Sector Institutions</i>			
INDICATOR: <i>2.1.4 Index of water policy change</i>			
UNIT OF MEASURE: <i>Index points (cumulative)</i> <hr/> SOURCE: <i>Ministry of Water and Irrigation records</i> <hr/> INDICATOR DESCRIPTION: <i>Ministry of Water and Irrigation is better able to formulate and effect water policy that will allow for sustainable water supplies in the future.</i> Index: <i>a. Water policy framework covering critical issues is adopted;</i> <i>b. Detailed implementation plan is developed collaboratively for at least 2 key policies;</i> <i>c. At least one key policy change is accomplished.</i> <i>One point is given for each item achieved, cumulative over the years.</i> <hr/> COMMENTS: <i>FORWARD project activities to study real costs of water service delivery in the agricultural and/or municipal/industrial sectors are key elements of achieving this index.</i>	YEAR	PLANNED	ACTUAL
	1994	NA	NA
	1995	NA	NA
	1996	1 (a)	1 (a)
	1997	2 (a + b)	
	1998	3 (a+ b+ c)	
	1999	(may add to index if targets achieved)	

Proposed new SO, IR, or indicator. Will be used in this, and in future, R4s.

OBJECTIVE: Improved Water Resources Management APPROVED: xx/xx/xx COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: 2.2 Increased efficiency in use of water resources			
INDICATOR: 2.2.1 Technical efficiency of on-farm irrigation water use.			
<p>UNIT OF MEASURE: Percentage, with 100% being the highest possible efficiency in the system (optimum efficiencies that can be expected in well-designed and managed systems generally run from 70 to 80%).</p> <hr/> <p>SOURCE: Bi-annual (every two years) survey conducted for the purposes of obtaining this data.</p> <hr/> <p>INDICATOR DESCRIPTION: Efficiency is comprised of two distinct components: a measure of physical system performance and a measure of system management. 1994 actuals are based on a basket of higher value, export-type crops which were included in the USAID-funded 1994 baseline survey (report titled "Irrigation Management and Water Quality in the Central Jordan Valley.")</p> <p>This indicator is a simplified version of the old Indicator 2.2.1.</p> <p>OF = open field trickle irrigation PH = plastic house trickle irrigation</p> <hr/> <p>COMMENTS:</p> <p>Annual precipitation rate can significantly affect efficiencies (higher precipitation generally results in lower technical efficiency).</p> <p>Critical assumptions: GOJ commits adequate resources to system maintenance and to an active farmer training program. Farmers are willing to make necessary investments in improvements.</p> <p>For the purposes of calculating the volume of water saved (Indicator 2.1), it is estimated that each percent increase in technical efficiency results in a savings of 1.3 MCM of water (based on the fact that 130 MCM of irrigation water in the Valley is used for drip irrigation). Water saved will continue to be used in irrigation.</p> <p>Measurements were not available for 1995 because the JVA staff trained for the Irrigation Advisory Service were reassigned to other departments, and thus no staff were available to collect data throughout the year.</p>	YEAR	PLANNED	ACTUAL
	1994		OF = 55% PH = 49%
	1995	new indicator	
	1996	OF = 56% PH = 50%	not measured
	1997	OF = 58% PH = 52%	
	1998	OF = 60% PH = 55%	
	1999	OF = 65% PH = 60%	

Proposed new SO, IR, or indicator. Will be used in this, and in future, R4s.

OBJECTIVE: <i>Improved Water Resources Management</i> APPROVED: <i>xx/xx/xx</i> COUNTRY/ORGANIZATION: <i>USAID/Jordan</i>			
RESULT NAME: <i>2.2 Increased efficiency in use of water resources</i>			
INDICATOR: <i>2.2.2 Number of farmers adopting improved irrigation practices</i>			
UNIT OF MEASURE: <i>Number of farms</i> <hr/> SOURCE: <i>Data collected annually by JVA</i> <hr/> INDICATOR DESCRIPTION: <i>Number of farms in the Central Jordan Valley using (a) trickle irrigation (TI); (b) plastic houses (PH); and/or (c) plastic tunnels (PT).</i> <hr/> COMMENTS: <i>Improved irrigation practices is a good proxy for improved water use efficiency.</i> Critical Assumption: <i>Efficiency irrigation systems are not only installed, but are properly managed.</i>	YEAR	PLANNED	ACTUAL
	1994		<i>TI=1367</i> <i>PH=648</i> <i>PT=138</i>
	1995		<i>TI=1442</i> <i>PH=666</i> <i>PI=144</i>
	1996	<i>new indicator</i>	<i>TI=1494</i> <i>PH=721</i> <i>PT=157</i>
	1997	<i>5% increase</i>	
	1998	<i>5% increase</i>	
	1999	<i>5% increase</i>	

Proposed new SO, IR, or indicator. Will be used in this, and in future, R4s.

OBJECTIVE: Improved Water Resources Management APPROVED: xx/xx/xx COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: 2.3 Improved quality of wastewater			
INDICATOR: 2.3.1 Percent of wastewater treated at As-Samra wastewater treatment plant to allow safe use in unrestricted irrigation.			
UNIT OF MEASURE: Percent <hr/> SOURCE: WAJ records for quantity and quality of wastewater at As-Samra treatment plant. <hr/> INDICATOR DESCRIPTION: Cubic meters of wastewater that meets WHO health standards for unrestricted irrigation divided by total cubic meters of wastewater treated. <hr/> COMMENTS: Assumption is that physical conditions permit timely completion of construction of facilities; also inflows continue to increase at recent rates.	YEAR	PLANNED	ACTUAL
	1994	0	0
	1995	0	0
	1996	0	0
	1997	100% 35 MCM	
	1998	100% 54 MCM	
	1999	100% 59.6 MCM	

Proposed new SO, IR, or indicator. Will be used in this, and in future, R4s.

OBJECTIVE: <i>Improved Water Resources Management</i> APPROVED: <i>xx/xx/xx</i> COUNTRY/ORGANIZATION: <i>USAID/Jordan</i>			
RESULT NAME: <i>2.3 Improved quality of wastewater</i>			
INDICATOR: <i>2.3.2 Percent of wastewater generated in Wadi Mousa and environs which is treated at Wadi Mousa to allow safe use in unrestricted irrigation.</i>			
UNIT OF MEASURE: <i>Percent</i> SOURCE: <i>WAJ records for quantity and quality of wastewater treated at Wadi Mousa.</i> INDICATOR DESCRIPTION: <i>Cubic meters of treated wastewater meeting WHO health standards for unrestricted irrigation divided by total cubic meters of wastewater generated.</i> COMMENTS: <i>The reason why in 1999 50% (and not 100%) of the wastewater generated will be treated to meet safety standards is that, while the wastewater treatment plant will be completed by mid-1999, not all of the residences will be connected to the system by 1999. The major generators of wastewater (hotels) will be, but it will take several years for residential connections to be completed.</i>	YEAR	PLANNED	ACTUAL
	1994	0	0
	1995	0	0
	1996	0	0
	1997	0	
	1998	0	
	1999	50%	
	2000	70%	

Proposed new SO, IR, or indicator. Will be used in this, and in future, R4s.

OBJECTIVE: Improved Water Resources Management APPROVED: xx/xx/xx COUNTRY/ORGANIZATION: USAID/Jordan			
RESULT NAME: Improved quality of wastewater			
INDICATOR: Percent of total infrastructure financing needed to implement the greater Amman wastewater master plan through the year 2010 that has been obtained.			
UNIT OF MEASURE: Percent SOURCE: WAJ records and discussions with donors/multilateral lending institutions/private sector. INDICATOR DESCRIPTION: "Obtained" means firm funding commitments made by donors (other than USAID), multilateral lending institutions, private sector, and/or the GOJ, orally or in writing. COMMENTS: 1) While the master plan goes through the year 2025, by 1999, funding commitments beyond the year 2010 cannot be expected. 2) The \$70 million in donor funding obtained in 1995 (for expansion of the Ain Ghazal headworks and construction of a parallel conveyance siphon) resulted from USAID-funded studies which were completed prior to the current master plan activity. They are included here because they will be important parts of the master plan currently under development. Critical Assumption: GOJ, donors etc. continue to place priority on adequate treatment and reuse of wastewater.	YEAR	PLANNED	ACTUAL
	1994		
	1995	no target at this time	\$70 million (cannot yet be reported as percentage of total, as total cost of infrastructure needed is not yet developed)
	1996	No target at this time; ww master plan will be complete in July 1997	
	1997	20%	
	1998	35%	
	1999	50%	

TABLE C: PROPOSED MODIFICATIONS TO SO STATEMENT, IRs, AND INDICATORS, AND RATIONALE

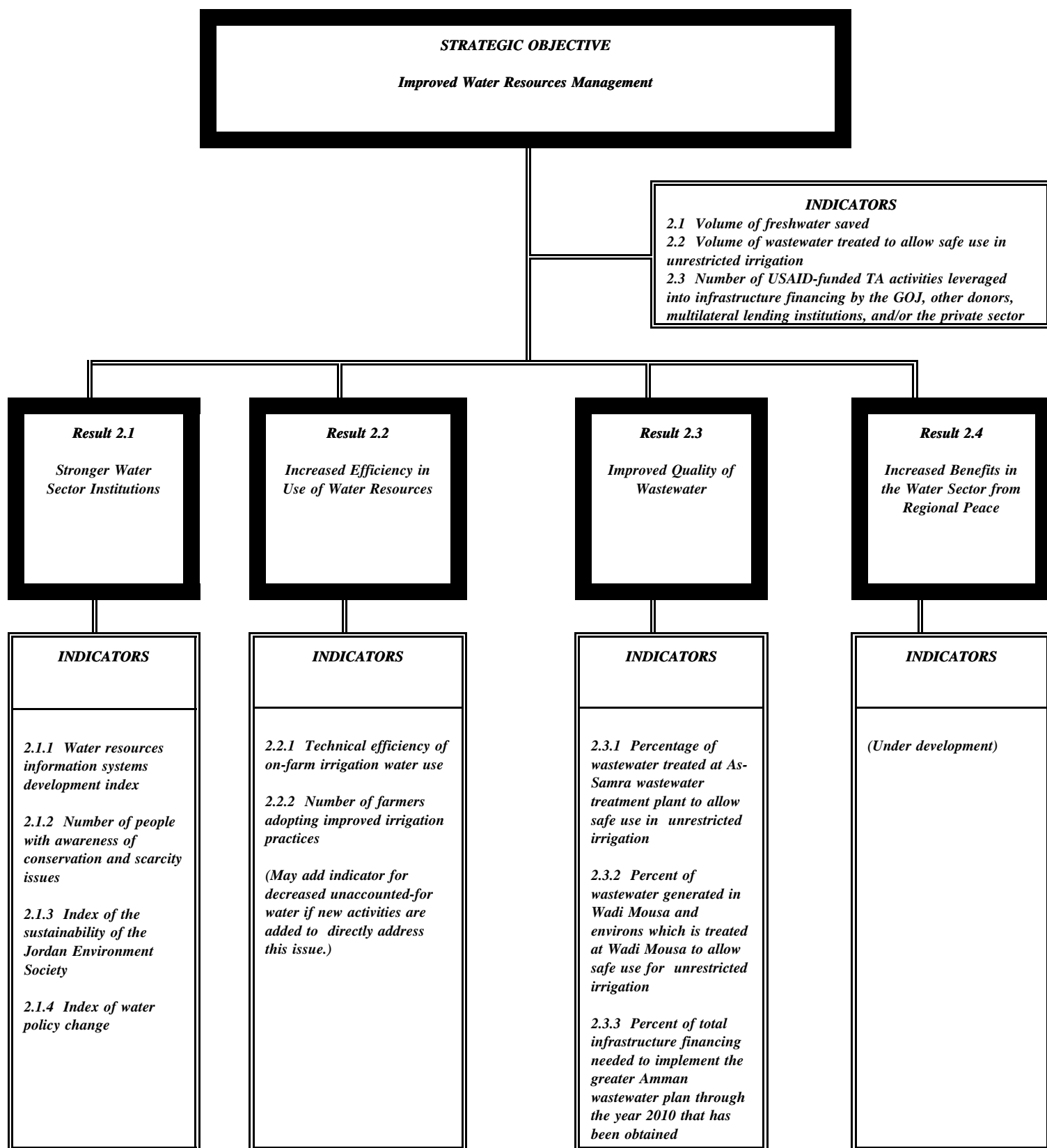
"OLD" SO/IR WORDING OR INDICATOR	PROPOSED NEW SO/IR WORDING OR INDICATOR	RATIONALE FOR PROPOSED CHANGE
<i>SO2: Improved quality and increased quantity of water available for use</i>	<i>SO2: Improved water resources management</i>	<p><i>The "old" wording does not adequately reflect what can be accomplished in the sector via USAID intervention. The vast majority of any increase or decrease of the quantity of water available for use would be the result of either 1) precipitation rate; or 2) overpumping of aquifers to meet demand. Some USAID activities could make a small contribution towards increasing the quantity of water available nationwide (e.g., irrigation extension services in the Jordan Valley), but it would be inconsequential compared to natural forces and overpumping, and also when compared to the large investments of major donors that directly impact water availability, such as design of new dams, and rehabilitation of leaking water distribution systems.</i></p> <p><i>"Improved Management of Water Resources" best reflects what USAID is assisting the GOJ to accomplish in the sector, and what is feasible to accomplish with our limited investments.</i></p> <p><i>Good water resources management implies both supply options and demand management, thus the re-stated SO does not preclude USAID from providing assistance in developing new supplies, if appropriate.</i></p>
<i>SO Indicator 2.1: Increase in water available to customers</i>	<i>SO Indicator 2.1: Volume of freshwater saved</i>	<p><i>The "old" wording is proposed for modification for the reasons stated above in reference to the old SO wording. The term "saved" encompasses water savings through improvements in efficiency, through preservation of quality, and through storage. The new wording reflects some of the activities USAID is pursuing in the sector, such as increased irrigation efficiency, and preservation of freshwater resources through diversion of saline springs. It allows for a broad range of new activities to increase available freshwater, including participating in the World Bank efforts to reduce unaccounted-for water through private sector participation in water service delivery, "saving" freshwater resources through desalination, and possibly other sustainable approaches to increasing freshwater supplies.</i></p>

"OLD" SO/IR WORDING OR INDICATOR	PROPOSED NEW SO WORDING OR INDICATOR	RATIONALE FOR PROPOSED CHANGE
<i>SO Indicator 2.2: Increase in wastewater treated to design criteria</i>	<i>SO Indicator 2.2: Volume of wastewater treated to allow safe use in unrestricted irrigation</i>	<i>Precise definition of the indicator is the cubic meters of wastewater that meets World Health Organization (WHO) safety standards for unrestricted irrigation (requirements for fecal coliforms and nematode eggs for crops eaten raw). Relating the indicator to health standards is more meaningful than relating it to design criteria, and is easier to measure.</i>
<i>No parallel</i>	<i>New SO Indicator (2.3): Number of USAID-funded TA activities leveraged into infrastructure financing by the GOJ, other donors, multilateral lending institutions, and/or the private sector.</i>	<i>Good measure of the effectiveness of USAID's relatively small investments.</i>
<i>IR 2.1: Improved management of water resources</i>	<i>IR 2.1: Stronger water sector institutions</i>	<i>The old IR 2.1 has been elevated to the SO level. The new IR statement represents a major focus of USAID efforts in the sector.</i>
<i>Indicator 2.1.1: Decrease in unaccounted-for water</i>	<i>Indicator 2.1.1: Water resources information system development index (see Table B for details)</i>	<i>Proposed for deletion because USAID does not have activities that would make a direct, measurable contribution towards decreasing unaccounted-for water at this time. Activities to improve data management will, in the long term, make a contribution in this direction by improving tracking of water bills, but this contribution is insignificant when compared to that of major donors (German government, World Bank), who are funding rehabilitation of water networks, and promoting private sector management. The FORWARD activities involving water tariffs could also make a contribution over the long haul, but that contribution is indirect, through policy change that will eventually lead to reductions in unaccounted-for water. In the future, the Mission may propose to add this indicator if we join in with the World Bank in their project which involves rehabilitation of the physical infrastructure and private sector management of administrative aspects of water delivery, or if FORWARD undertakes activities that directly involve actions to reduce unaccounted-for water. It is better to directly measure our contribution to improved data management, which is a significant step towards a stronger water sector institution.</i>

"OLD" SO/IR WORDING OR INDICATOR	PROPOSED NEW SO/IR WORDING OR INDICATOR	RATIONALE FOR PROPOSED CHANGE
<i>Indicator 2.1.2: Increase in O&M costs recovered</i>	<i>Indicator 2.1.4: Increased capacity to effect water policy change</i>	<i>This indicator is proposed for rewording because it is not the best measure of what the Mission is doing in the sector. The indicator was adopted as a broad measure of sound water resources management. However, it is too broad to reflect USAID activities in the sector, i.e. no current USAID activities lead directly to measurable decreases in unaccounted-for water. (The FORWARD studies could lead there, but several additional steps after the study stage would need to be completed.) Rather, an indicator which directly measures the capacity for effecting policy change would reflect USAID activities under WQIC and under FORWARD. An indicator measuring cost recovery may be re-incorporated into the performance monitoring plan should additional activities in the future more directly address this topic.</i>
<i>No parallel</i>	<i>Indicator 2.1.3: Increased sustainability of the Jordan Environment Society</i>	<i>Measures progress towards a strong, independent environmental NGO. USAID has significant activities with JES towards this end.</i>
<i>IR 2.2: Increased conservation and efficient use of water resources</i>	<i>IR 2.2: Increased efficiency in use of water resources</i>	<i>Minor change</i>
<i>Indicator 2.2.1: Increased efficiency in irrigation water use in the Zarqa Triangle of the Jordan Valley</i>	<i>Indicator 2.2.1: Technical efficiency of on-farm irrigation water use</i>	<i>Clarifies that it is technical (vs. economic) efficiency that USAID is addressing, and decreases the number and complexity of elements to be measured; also broadens scope outside of one section of the Jordan Valley.</i>
<i>Indicator 2.2.2: Increase in percent of industries adopting clean technology measures in the Zarqa Basin</i>	<i>No parallel</i>	<i>This indicator is proposed for deletion because USAID/Amman is discontinuing its activities in promoting clean technologies, in response to 1) concerns that the SO2 program was spread too thin and trying to accomplish too much with scarce resources; and 2) the Amman Chamber of Industries has not met staffing commitments needed for successful implementation of the clean technology program.</i>

"OLD" SO/IR WORDING OR INDICATOR	PROPOSED NEW SO/IR WORDING OR INDICATOR	RATIONALE FOR PROPOSED CHANGE
<i>No parallel</i>	<i>Indicator 2.2.2: Number of farmers adopting improved irrigation practices</i>	<i>Allows evaluation of improvements which might be hard to accurately assess by attempting to quantify volumes of water saved.</i>
<i>Indicator 2.2.3: Percent increase in the number of people with better knowledge of water conservation and efficient use issues.</i>	<i>Indicator 2.1.2 (Under Result 1): Number of people with awareness of conservation and scarcity issues.</i>	<i>Minor rewording.</i>
<i>IR 2.3: Increased quantity of water and improved quality of wastewater produced by Khirbet As-Samra and Wadi Mousa</i>	<i>IR 2.3: Improved quality of wastewater</i>	<i>USAID is no longer involved in the water system in Wadi Mousa. Design has been completed, and donor/GOJ funding for construction has been committed. USAID's accomplishment will be counted under proposed new SO indicator "Number of USAID-funded TA activities that lead to infrastructure financing by the GOJ, other donors, multilateral lending institutions, and/or the private sector" (see Table B, SO Indicator 2.2). Also want to broaden the IR to allow activities in wastewater quality improvement at locations besides As-Samra and Wadi Mousa.</i>
<i>Indicator 2.3.1: Percent increase in potable water delivered in the Wadi Mousa area</i>	<i>No parallel</i>	<i>Proposed for deletion, for the reasons as stated immediately above.</i>
<i>Indicator 2.3.2: Increase in wastewater treated to design criteria at As-Samra and Wadi Mousa facilities.</i>	<p><i>Two indicators:</i></p> <p><i>2.3.1: Percent of wastewater treated at As-Samra wastewater treatment plant to allow safe use for unrestricted irrigation;</i></p> <p><i>2.3.1: Percent of wastewater generated in Wadi Mousa and environs which is treated at the Wadi Mousa plant to allow safe use for unrestricted irrigation.</i></p>	<i>Old indicator is made more uni-dimensional by separating out the two locations at which activities are under way. Measure of safety (WHO health standards) is more meaningful and easier to measure than meeting design criteria.</i>

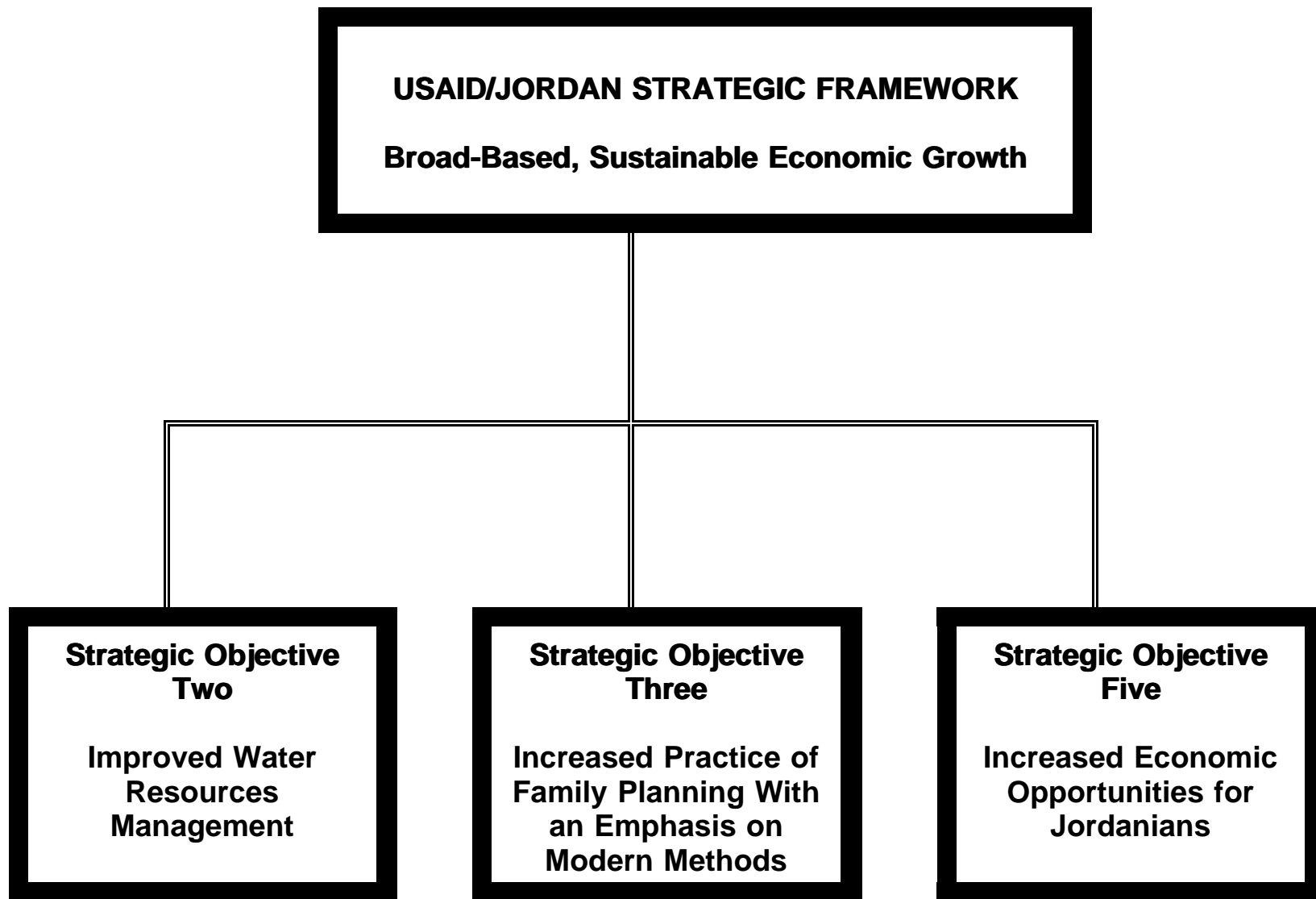
Figure 1



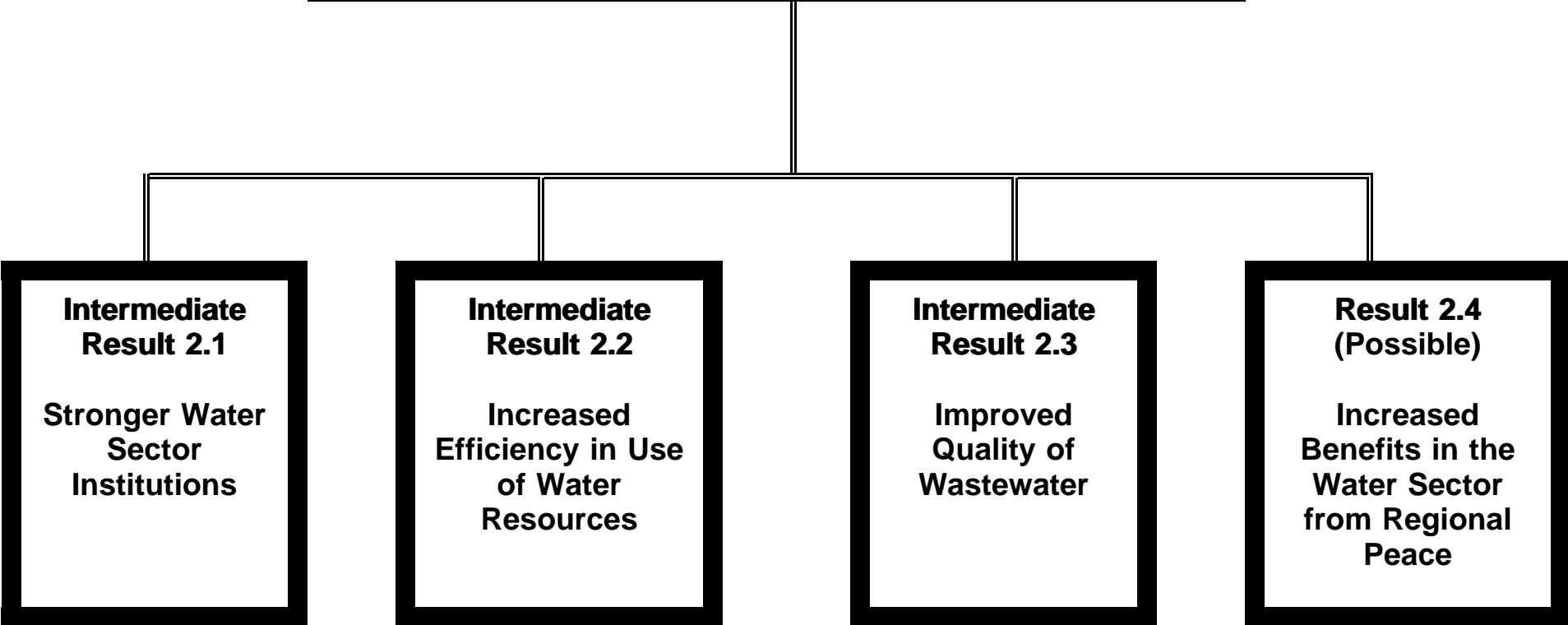
ANNEX G

USAID/JORDAN Strategic Framework

Annex G



STRATEGIC OBJECTIVE TWO
Improved Water Resources Management



STRATEGIC OBJECTIVE THREE

**Increased Practice of Family Planning with an
Emphasis on Modern Methods**

Intermediate Result 3.1

**Improved
Knowledge of
Contraceptives**

Intermediate Result 3.2

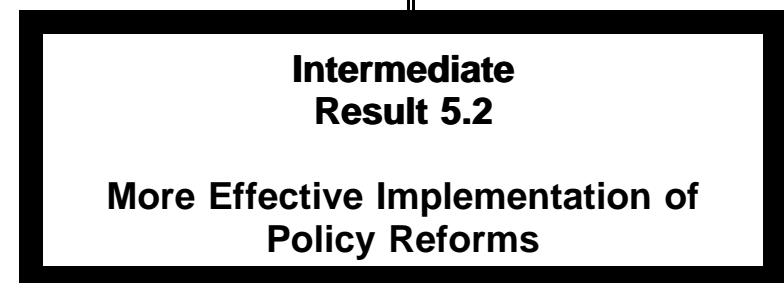
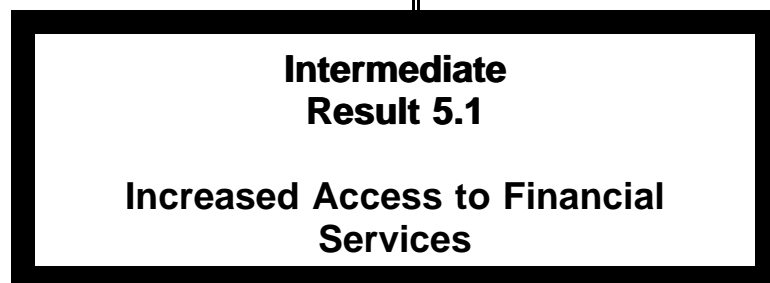
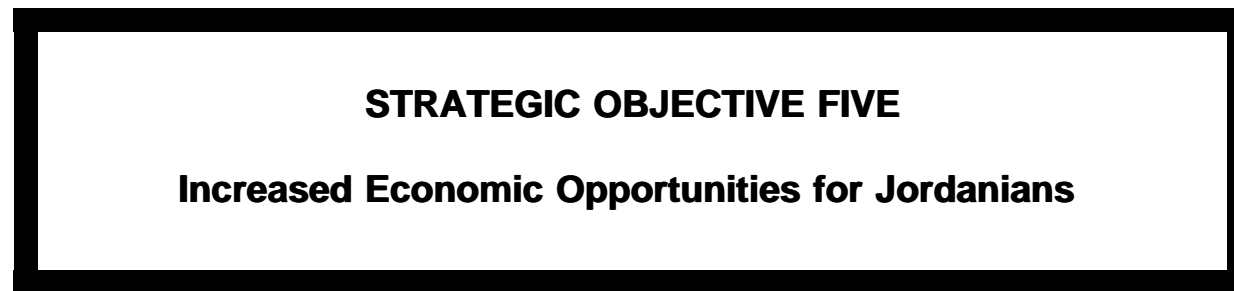
**Increased
Availability of
Family Planning
Services**

Intermediate Result 3.3

**Increased
Availability and
Affordability of
Family Planning
Products in the
Private Sector**

Intermediate Result 3.4 (Planned)

**Increased
Rationalization
of Health
Financing
Systems**



ANNEX H

**Increased Economic Opportunities
for Jordanians
Strategy Presentation**

Annex H

USAID/Jordan

“Increased Economic Opportunities for Jordanians”

**New Economic Growth Strategy
Strategic Objective Presentation**

March 22, 1997

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Annex I: Performance Data Tables

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List of Acronyms

<i>CIDA</i>	<i>Canadian International Development Agency</i>
<i>DEF</i>	<i>Development and Employment Fund</i>
<i>ECIP</i>	<i>European Community Investment Partners Program</i>
<i>ERDL</i>	<i>Economic Reform and Development Loan (World Bank)</i>
<i>GDP</i>	<i>Gross Domestic Product</i>
<i>IPC</i>	<i>Investment Promotion Corporation (Jordan)</i>
<i>JEDCO</i>	<i>Jordan Export Development Corporation</i>
<i>JICA</i>	<i>Japanese International Cooperation Agency</i>
<i>JLGC</i>	<i>Jordan Loan Guarantee Corporation</i>
<i>MOIT</i>	<i>Ministry of Industry and Trade</i>
<i>NHF</i>	<i>Noor Al Hussein Foundation</i>
<i>ODA</i>	<i>Overseas Development Administration (Britain)</i>
<i>QAF</i>	<i>Queen Alia Fund</i>
<i>SAVE</i>	<i>Save the Children</i>
<i>UNCTAD</i>	<i>United Nations Committee for Trade and Development</i>
<i>UNDP</i>	<i>United Nations Development Program</i>
<i>UNIFEM</i>	<i>United Nations Development Fund for Women</i>

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Summary Analysis of Assistance Environment and Rationale for Focusing Assistance in Particular Areas

A. U.S. Foreign Policy

U.S. assistance to Jordan supports a stable and moderate government committed to democratization and peaceful solutions to the region's problems. Strategically positioned both geographically and politically, Jordan has consistently been a positive force in the Middle East peace process -- manifested most recently in 1996 by the King's key interventions in facilitating the Hebron agreement. The October 1994 peace treaty with Israel was a bold and forthright step toward a comprehensive peace in the region. U.S. regional interests dictate supporting the King's difficult decisions on behalf of peace and his Government's efforts to maintain stability and promote Jordan's long-term economic viability. Strategically targeting U.S. assistance to increase economic opportunities for Jordanians -- especially those who have not benefited materially from the peace with Israel nor from Jordan's ongoing economic reform program -- will make an important contribution to both Jordan's longer-term stability and U.S. foreign policy.

B. Overview of the Political Economy

Despite a growth rate of some 5.6 percent in 1996, Jordan's economy is not providing adequate economic opportunities for the majority of its citizens. Per capita incomes have fallen for the last seven years. Despite relatively high GDP growth rates, the economy will probably need to create at least 42,000 new jobs each year to absorb new workers entering the labor market -- and another 8,000 more jobs to begin to reduce the country's unacceptably high unemployment rate, optimistically estimated at 15 percent. The economic benefits which many expected from new-found peace with Israel and from recent economic reform efforts have not been realized by most Jordanians. Indeed, the success of Jordan's transition to a more open, market-oriented economy depends on how equitably the benefits of economic growth are distributed.

The Government of Jordan (GOJ) continues to pursue policies and programs designed to liberalize its economy in order to promote economic growth through increased savings and greater investment. The GOJ hopes that these actions will contribute to a lowered unemployment rate and increased per capita incomes. It has managed to sustain real economic growth of about six percent and contain inflation at three percent over the past four years. However, these achievements are undermined by political uncertainty over the future of the peace process and the lack of economic policy harmonization within the region. Jordan's economic progress is linked to a significant degree to the success of the Middle East peace process. Slow progress towards a political settlement between Israelis and Palestinians constrains Jordan's opportunities for trade with both parties.

Economic restructuring has also entailed certain political costs. For example, the decision to reduce subsidies as part of an effort to lower Jordan's budget deficit resulted in public protests in Kerak and other southern towns in 1996. These demonstrations served to highlight discontent about important aspects of the economic reform process. USAID's new Increased Economic Opportunities Strategic Objective is a direct response to concerns that the benefits of economic restructuring are spread unevenly and fail to benefit

poorer segments of the population. Only by reaching-out to groups that by and large have not yet benefited from the reform process -- for example, micro- and small business people, the poor, women, and residents of more isolated regions of the country -- will Jordan be able to maintain the momentum of its reform efforts. Only then will Jordan's role as a strong partner for peace in the Middle East be assured into the next century.

1. Macroeconomic Performance

The World Bank estimates that in 1995 GNP per capita for Jordan's 4.2 million citizens was \$1,500, placing Jordan in its lower-middle income country group. In terms of size of the economy, its GDP of \$6.9 billion in 1996 is comparable to that of Qatar and Bahrain. Home to one of the fastest growing populations in the world with an average annual rate of 4.3 percent, significant economic growth must occur in Jordan for per capita income to increase, or even to remain steady.

Jordan is poor in natural resources. Only 8 percent of its land is arable, much of it concentrated in the Jordan Valley which cannot hope to provide a basis for broad-based economic growth for the entire country. While phosphate and potash mined from the Dead Sea are important exports earning valuable foreign exchange, they too offer limited growth potential. Given these constraints, economic growth, particularly from exports, must come from a diversification of Jordan's economy and increased utilization of its educated and well trained work force.

To that end, the GOJ initiated a series of IMF and World Bank-supported economic reforms to liberalize trade and investment policies. Jordan has succeeded in reaching targets established under its IMF Economic Adjustment program. The GOJ is now attempting to meet three major macroeconomic targets: 5.6 percent real GDP growth, inflation at less than 5 percent, and a current account deficit of 3.1 percent of GDP. Expectations are that the GOJ will come close to meeting these targets. Nonetheless, external factors have intervened to frustrate some of these efforts. In 1996, international commodity prices reached record levels, forcing the Government to raise the price of bread, wheat and feed grain. The Government also raised the prices of electricity, water and asphalt during 1996.

2. The Political Context

A number of major political events in the 1990s greatly influenced Jordan's domestic economy, not the least of which were the Gulf War and official peace with Israel. The Gulf War caused over 300,000 Jordanians who had been working in the Gulf to return home. While this large influx spurred a housing construction boom in and around Amman, foreign earnings remittances waned precipitously, unemployment rose, and Jordan's social safety net became overburdened. While some Jordanians have recently been returning to the Gulf to work once again, the bulk of the evacuees remain in Jordan, many without jobs or businesses that provide income anywhere near comparable to their income in the Gulf.

The signing of a peace treaty with Israel in 1994 has not yet yielded the economic fruit expected by many Jordanians. For example, Jordan continues to call on Israel to remove obstacles to the anticipated but unfulfilled promise of Jordanian-Palestinian-Israeli trade (recent figures point to trade between Israel and Jordan in 1996 on the order of only \$18 million). These obstacles are believed to exist because of the political and security interests of Israel. On the other hand, some relations with Israel have been proceeding at a steadier pace, resulting in new opportunities in tourism, transport, the water sector, and a very limited number of joint ventures between Jordanian and Israeli manufacturing firms.

In August 1996, the GOJ, under advice from the IMF, announced its decision to raise prices and lower subsidies for bread. The Government replaced the sales price subsidy with a direct cash subsidy of JD 1.280/month/person to Jordanian citizens for the purchase of bread (and slightly higher for those below the poverty line). Following this decision, the average price of bread rose 160 percent. This was done to avoid adding to the federal budget deficit which would have expanded by about \$225 million in the face of higher world wheat prices.

The public demonstrations in southern Jordan that followed the bread price increases underscored the frustration felt by many Jordanians, who perceived that the price of food staples was rising even as incomes were declining. The protests also seemed to demonstrate that their voices were not being taken into account. As suggested in the section on "customers" below, this Strategic Objective is designed to respond to this challenge. In particular, every effort is being made to ensure that these and other voices are incorporated into the design, implementation and monitoring of individual activities.

C. Customers

In formulating the new Increased Economic Opportunities Strategic Objective, several major analyses were completed. For example, the recent Sector Policy Reform assessment included a formal survey of private sector participants based on a detailed questionnaire concerning the impacts of specific trade and investment reform measures. The final sample consisted of 41 firms, allowing for diversity as to size, sector, geographical location and ownership. Most of the firms surveyed were not large public shareholding companies (which regularly publish a large amount of information on their operations) and conceivably at least some of the firms surveyed might have been reluctant to participate. In the end, only two of the 42 firms contacted refused to release information. The assessment provided an excellent opportunity to receive customer feedback from a range of business interests. It also directly influenced the Mission, the GOJ and other partners in formulating an Intermediate Result that seeks more effective implementation of policy reforms.

Another recent study informing the Mission's understanding of Jordanian business was a private sector assessment completed in early 1997. This assessment included numerous interviews with Jordanian businesspeople and addressed a broad range of constraints to the development of Jordanian businesses of every size. The assessment gave particular attention to the views of micro- and small enterprises as well as the non-governmental organizations that support some of their needs.

How customers benefit from the Mission's economic growth portfolio is addressed in a 1995 assessment of problems and opportunities for increasing the people-level impact of Mission economic growth activities. This assessment specifically addressed assistance to poor Jordanians through alternative forms of economic organization such as microenterprises, producer cooperatives, and employment generation by large and medium-scale firms.

The Mission closely collaborates with three key Government of Jordan entities that are the intermediate customers for this Increased Economic Opportunities Strategic Objective: the Ministry of Planning, the Ministry of Trade and Industry, and the Investment Promotion Corporation. The strategic formulation adopted strategies out of a series of discussions with these three key organizations.

Achieving and monitoring the Increased Economic Opportunities Strategic Objective will further reflect this commitment. For example, surveys of business organizations, both large and small, will be conducted to assess the effectiveness of policy implementation under an Intermediate Result (IR). One result that will be measured under this IR is "Greater Public Knowledge of Key Economic Policy Reforms." This indicator will be measured through regular surveys or assessments of a sample group of small and medium enterprises. At present, many policies have been changed, yet the very people who can benefit most are often unaware of the reforms.

Following USAID-supported public awareness activities, the Mission will hear from the beneficiaries themselves whether the campaigns have informed them of key reforms, and where more actions are needed. These surveys/assessments will also be used to address gender issues. To start a dialogue about implementation of the recent social security and labor law reforms and obtain better qualitative data about the very low female participation rate in the workforce, for example, a survey will measure the extent to which there is awareness of how women can contribute to overall business productivity. This information should support the Mission's efforts to increase economic opportunities for Jordanians, including women.

Proposed Strategic Plan for the Economic Growth Strategic Objective

A. Statement of Strategic Objective

The new USAID Strategic Objective for Jordan is designed to "increase economic opportunities for Jordanians." This formulation underscores the fact that individual Jordanians are to be the main beneficiaries, especially those who heretofore have failed to benefit from the economic restructuring process. Mission activities under this Strategic Objective support the Agency goal of encouraging "broad-based economic growth" by expanding access and opportunities through financial services and by encouraging more effective implementation of policy reforms that benefit entrepreneurs, including women. The Strategic Objective also supports the USAID Asia/Near East Bureau priority of strengthening the Middle East peace process. It will provide new opportunities for women and reduce gender disparities. And it will contribute significantly to sustaining Jordan's economic growth while enabling Jordan to remain a strong, stable partner for peace in the Middle East.

A range of constraints to increasing economic opportunities is being addressed by other development partners. The lead partner is the World Bank with its proposed Economic Reform and Development Loan III (ERDL III) and the Social Productivity Program, both of which are discussed in a later section on other donors. This Strategic Objective targets activities which ultimately increase the number of private companies registered, expand the number of micro- and small-entrepreneurs utilizing the commercial banking system, and increase the number of jobs created through the Investment Promotion Corporation (IPC). The Strategic Objective will be achieved by improving access to financial services and by more effective policy reform and implementation, especially in those areas that potentially benefit micro- and small-enterprises.

Increased economic opportunity is absolutely vital for Jordan. Even the current economic growth rate of 6 percent per year does not produce enough jobs to reduce the unacceptably high 15 percent unemployment rate. While USAID cannot address the job creation challenge entirely by itself, it can make a significant contribution in conjunction with other donors. Taken together, these efforts should help improve the lives of the majority of Jordanians, especially men and women with below-median incomes.

This Strategic Objective represents the most ambitious objective that the Mission can attain within the parameters set by anticipated USAID resource allocations. It is more cohesive, better targeted and deals more directly with key economic constraints than the previous Growth Strategic Objective which focused on tourism. It is also based on an extended participatory process, including numerous discussions with the GOJ, business surveys, and a strategic planning workshop involving both USAID and its partners.

In a real sense, formulation of this Strategic Objective represents the culmination of efforts initiated several years ago to further focus Mission activities in the economic growth arena. As part of the process, the Mission critically examined its portfolio and either transferred or will soon complete a number of activities that will no longer directly contribute to the achievement of the new Strategic Objective:

- 1. Cultural and Environmental Resource Management, \$12 million (transferred to the Water Resources Management Strategic Objective);*
- 2. Sector Policy Reform Program and Technical Support, \$29 million (completed);*
- 3. Agricultural Marketing Development, \$8.3 million (completed);*
- 4. Commodity Import Program, \$187.3 million (completed);*
- 5. Private Enterprise and Technical Resources Assistance, \$12 million (completed);*
- 6. Private Services Sector Development, \$10 million (Sept.,1998);*
- 7. Housing Program, \$50,000,000 (mostly completed).*

There are two ongoing activities,however, which naturally fit in with the new Strategic Objective:

- 1. Loan Guarantee for Small Enterprise Development, \$10 million (mostly completed);*
- 2. Technical Services and Feasibility Studies V, \$21,000,000, (mostly completed).*

The pending completion of these activities helps ensure that new interventions can be specifically designed to promote the new Strategic Objective.

B. Problem Analysis

The key strategic issue for USAID in Jordan is to target U.S. assistance to increase economic opportunities for Jordanians, especially those who have neither materially benefited from peace with Israel nor from Jordan's ongoing economic reform program. Addressing this issue requires a strategy that seeks to increase economic opportunities in such a way that many more Jordanians benefit from continued economic growth during the next five years than has been the case during the recent past.

Annual growth rates of approximately 6 percent in recent years make Jordan one of the better performers in the Near East region. Nonetheless, these growth rates are still not leading to reduced unemployment. Continued six percent growth will produce approximately 42,000 new jobs per year. Yet, with labor force participation rates increasing at approximately five percent annually, the unacceptably high unemployment rate of at least 15 percent will not start to decline unless at least 50,000 new jobs are created each year. Per capita incomes have also been declining for the past seven years, even as unemployment causes growing concern. From a USAID perspective, the critical question through the design process was thus: to what extent can USAID, with its limited funding resources, plan strategically to make the largest possible contribution to stimulating job creation and income generation for Jordanians during the next five years?

The 1997 private sector assessment undertaken by the Mission examined what businesses of various sizes can contribute to the overall challenge of job creation. The assessment also takes into account the Mission's modest budget, the possibility of expanded future funding levels, USAID's relative technical strengths, other donor activities, and those areas in which USAID interventions would have the greatest overall impact on employment.

1. Microenterprise and Small Business Sector

For purposes of this analysis, the microenterprise sector is defined as businesses with fewer than 10 employees. The small business sector includes those firms with between 10 and 50 employees. The key constraint affecting the development of this sector is lack of access to financial services. Other constraints are also present, including deficient entrepreneurial skills, poor market access, lack of production, marketing and administrative skills, an overabundance of regulations and procedures, and poor infrastructure, especially in rural areas. However, these other obstacles appear to pale in comparison with the credit constraint.

a. The Formal Banking Sector

The microenterprise and small business sector have only minimal access to formal banking credit or savings products in any form. Commercial banks refrain from offering credit or savings vehicles for this sector for several reasons:

(1) Perceived Lack of Profit: Commercial banks in Jordan are often unaware that providing financial services to the microenterprise or small business sector can be profitable if activities are appropriately structured and priced;

(2) Gaps in Human Resource Development: Commercial banks currently do not have the appropriately qualified personnel with an understanding of this type of business;

(3) Lack of Appropriate Systems: Commercial banks do not have the appropriate systems, particularly credit Management Information Systems (MIS), to properly manage the credit risk on micro-lending; and

(4) Market Know-How: Commercial banks are unfamiliar with the market for rural microenterprise credit and savings, and lack the exposure to successful microenterprise program methodology, both within Jordan and internationally.

Despite these problems, commercial banks in Jordan represent a significant and efficient distribution opportunity whose inclusion in this sector would complement the efforts of existing microfinance lenders. Significant experience exists in other countries which suggests that commercial banks that develop financial products for this sector can increase both access to and the availability of funds for the small and microenterprise sector and still make a profit.

b. Existing Microcredit Institutions

Microcredit delivery programs now in place in Jordan are for the most part managed by NGOs and PVOs. Organizations involved in such programs include Save the Children (SAVE), Near East Foundation (NEF), Queen Alia Fund (QAF) and Noor Al Hussein Foundation (NHF). Success rates vary. Overall, these lenders have still not achieved a sufficiently broad distribution system that ensures national coverage. Consequently, large segments of the population are still not being served. However, the experience of such organizations can help in identifying and designing potential future models. "Lessons learned" from this experience thus far include:

(1) Interest Rates and Sustainability: There is a general lack of understanding among micro- and small-business lenders of the need to charge sufficiently high interest rates to cover the higher costs of lending to these

businesses while earning a profit. At current interest rates and loan recovery rates, the programs of many of the existing lenders are not sustainable. They are rapidly depleting their "capital," requiring ongoing support from donors or the government.

(2) Management Information Systems (MIS): There is a dearth of effective MIS for tracking microenterprise loan performance, and for rapidly identifying non-performing loans. This has a significant impact on the level of past due loans and loan write-offs. While a variety of donors do promote microenterprise development, use of an effective MIS would provide a far better indication of the extent to which funded activities are sustainable and provide benefits to customers.

(3) Lack of Understanding of Micro- and Small-Business Credit Issues: Micro- and small-business lenders are unfamiliar with successful program methodology as practiced in other countries, which results in unnecessarily small programs, high costs and poor results.

2. Medium and Large Businesses

For purposes of analysis, medium businesses are defined as those with 50 to 200 employees. Large businesses are those with 200 or more employees. Medium and large businesses in Jordan also face numerous constraints to job creation in four major areas, presented in descending order of importance: (a) a deficient policy environment; (b) insufficient skills at most levels; (c) inadequate access to markets and technology; and (d) poor access to credit.

a. The Policy Environment

Several studies by the IMF, World Bank and USAID show that a strong, supportive business policy environment is essential to Jordan's economic growth. A market-oriented business environment necessary to achieve a level of international competitiveness would allow Jordanian businesses to compete more aggressively in the international arena. Over the past three years, there have been significant improvements in the Jordanian policy environment, particularly in those areas affecting expanded trade and investment activities. USAID has played a key role along with the World Bank and other donors in helping the GOJ achieve these improvements through its Sector Policy Reform Program (1993-1996).

Improvements which are widely recognized by the private sector include: an improved temporary admissions and duty drawback system; abolishment of most export and import licenses; the introduction of the harmonized system of tariff nomenclature; improved tax treatment for exporters; reduced paperwork for procedures relating to business registration and licensing; and a new investment law. The creation in 1995 of the Investment Promotion Corporation (IPC), an autonomous agency designed to promote and facilitate new investment in Jordan, has also received significant praise from the private sector.

However, while these gains in the policy environment are impressive, the December 1996 assessment of business impacts from USAID's \$30 million Sector Policy Reform Program and other assessments identified a number of areas where improvements are still

necessary. To an extent, these additional improvements do not require new legislation. Rather, the identified constraints point to difficulties encountered due to ineffective implementation of new legislation and procedures, which can be addressed without further reforms. Specific examples cited by the private sector at virtually all levels include:

(1) Customs: Customs problems typically affect larger businesses, since they are more likely to be involved in foreign trade. The inefficiencies and costs incurred are, however, passed on to all levels of the economy. The types of problems encountered in the customs process include:

(a) Continued difficulties in getting goods cleared rapidly through customs, in part as the result of a system which directly rewards customs officers for finding an "improper" preliminary classification of goods;

(b) Inconsistent application of customs tariffs and fees, accompanied by the lack of clear, written definitions of tariffs, fees and rules for dealing with customs;

(c) High, non-tariff customs costs which amount to additional duties of up to 20 percent or more on goods;

(d) Lack of duty exemption on raw materials imports which makes Jordanian products uncompetitive in export markets; and

(e) In some cases, higher duties on imported components of locally-produced products than on the final imported products themselves, making local production an unattractive business.

(2) Taxation: The change in the Income Tax Law in 1995 significantly reduced the tax rates on corporate and personal earnings, and in this regard most businesses seem satisfied. However, two issues related more to the implementation of the revised tax laws merit close attention:

(a) Vague, poorly-defined tax laws make it difficult to accurately calculate tax liabilities in advance, such as the tax consequences of franchise fees paid abroad. Even major tax and audit firms are unable to reliably predict tax liabilities. This makes it much more difficult to make sound business investment decisions.

(b) While rates have been lowered, it appears that the tax authorities have a great deal of discretion in determining how income is calculated, which in turn can make a significant difference in actual tax liabilities incurred. Again, business tends to shy away from situations (or countries) where uncertainty about such crucial matters is high.

(3) Regulations and Procedures: A large number of businesses cite the excessive time and difficulty in obtaining licenses to establish and/or operate a business. Related to this is the fact that many regulating or licensing agencies do not have clear, written guidelines on how to go about obtaining a permit or license, further slowing down the process.

Even in cases where progress has been made, the business community may remain unaware of changes and potential improvements in the regulatory environment. For example, the background studies for the Mission's (SPRP) indicated that the process of new investment in Jordan had been significantly encumbered by business registration procedures, a condition especially onerous and costly for small and medium enterprises. Applications and registration materials were subject to review and approval by several layers of individuals in several agencies, and "no objections" certificates were required from several line Ministries concerned with various aspects of business registration. The SPRP Grant Agreement specified that the process was to be simplified by, first, delegating authority to register applications to the Controller of Companies rather than the Ministry of Industry and Trade (MOIT) -- in effect removing a layer of bureaucracy from the process -- and, second, by removing the requirement for "no objections" certificates.

Both of these items of conditionality have been met, although certain "no objections" certificates seem to have survived to some extent. The MOIT determined that several such certificates were not required by current law and dropped the requirement for their presentation immediately. Others were to be eliminated by amendments to the Companies Law passed by the Cabinet of Ministers in October 1996. The law and the amendments are expected to be passed during the current session of Parliament. Even after its passage, however, certain "no objections" certificates will be required of new investors, even though they need not be presented to MOIT during the registration process.

As with several elements of Jordan's trade and investment policy reform process, many private investors seem unaware of the business registration reforms. Of those surveyed during the SPRP assessment, 64 percent were unaware of these measures; of those who were aware of them, 75 percent felt that they would improve the registration in their line of business significantly.

(4) Infrastructure: The Free Zone Authority as well as the Industrial Estates Authority came under criticism due to unresponsive management as well as an inability to provide adequate services (e.g. facilitation of licenses and payment of fees, and availability or sufficiency of utility hook-ups) to make the sites attractive.

(5) Intellectual Property Rights: At least one company (Microsoft) moved out of Jordan and relocated to Egypt as a result of insufficient protection of its intellectual property rights. Other software companies in Jordan have expressed similar concerns. There is no way to determine the number of companies which have not even considered Jordan in the first place, due to the lack of such legal protection. In the U.S. and Europe, this issue particularly hurts the pharmaceutical industry, which chooses to license its products elsewhere due to the high rate of piracy in Jordan.

3. Gender Considerations

According to 1995 World Bank and UN WISTAT data, women in Jordan comprise only 11 percent of the total labor force. The female participation rate (i.e., economically active women as a percent of the total female population) is, in turn, only 5 percent. Overall reported unemployment among women in Jordan is high with a 33 percent female unemployment rate versus an 18 percent male unemployment rate in 1995. The percent of women in Jordan's labor force is surprisingly low relative to other lower middle income countries throughout the developing world -- where women make up an average 32 percent of the labor force (World Bank 1995). Women's portion of the labor force in Jordan is also low compared to similar countries in the Middle East region, for example, Morocco, where women reportedly make up 21 percent of the labor force, and Tunisia, where women comprise 25 percent of the labor force (UN WISTAT 1995).

Women's low participation rate in Jordan is not explained by a lack of education. Enrollment rates of males and females on the primary, secondary and tertiary educational levels in Jordan are high and comparable. Systemic discrimination does not appear to occur in the educational system. A 1997 analysis by USAID's Office of Women in Development (G/WID) reports gross female primary school education enrollment in Jordan at 99% and secondary school enrollment for females at 78% (compared to the lower female enrollment in Morocco of 55% primary/30% secondary and 109%³ primary/40% secondary in Tunisia). A recent World Bank study of women in the labor force in Jordan also found that 77% of female participants in Jordan's labor force had at least a secondary school degree while only 37% of men had a secondary degree.

Jordanian women's low participation rates also cannot be explained away by an absence of formal government commitment to improving the economic and employment status of women. Initiatives that give form to the Government of Jordan's official commitment to non-discrimination against, and fuller employment of, women include the 1992 formation of the Jordan National Committee for Women (JNCW); the recent adoption of a national gender strategy, and strong official encouragement and financial support for a large number of government-sponsored organizations and NGOs that focus on the condition of women. In the National Gender Strategy, official support for full participation of women in the economy is articulated in such economic objectives as: a) increasing participation of women in the labor force; (b) non-discrimination against women in all spheres of employment, and (c) the development of support services needed to encourage women's entry into and continued participation in the labor market.

The variables that most likely account for the low participation rate of women in the labor force in Jordan include: (1) Jordan's high fertility rate of 4.6 percent; (2) the structure of Jordan's economy; (3) a residue of women's "protective" laws which tend to make women employees less desirable than their male counterparts - especially to private sector employers (e.g., seven weeks of mandatory, employer-paid maternity leave; early retirement; labor protection in such areas as night work, etc.); (4) women's latent integration into the political process in Jordan (women received the right to vote in Jordan in 1974 versus, for example, 1959 in Tunisia and 1963 in Morocco); (5) religious and cultural values and preferences concerning women's primary roles and multiple

³ Enrollment is expressed as a percentage of the total class age group cohort. The figure cited can exceed 100% because of students of a range of ages in the same class.

obligations within the immediate and extended family, and (6) inaccurate or incomplete data which fails to measure women's actual economic participation in both the formal and informal sectors.

Certain impediments to women's fuller participation in the economy, such as religious or cultural preferences and late integration into the political process will not be addressed directly by USAID. Other constraints, such as those related to the structure of Jordan's economy; Jordan's high fertility rate; "protective" laws or practices which may unintentionally constrain women's employment or their opportunities to start businesses or obtain credit, and inaccurate or incomplete data on gender and the economy, can and will be addressed by USAID under our economic opportunities SO or under our family planning objective.

Very high fertility rates coupled with limited daycare availability for children will continue to inhibit the economic participation of half of Jordan's educated labor pool. USAID, as a lead donor working in the area of family planning in Jordan with the Ministry of Health, is addressing the issue of high fertility rates with considerable success. This work complements the work we intend to do in economic growth. The World Bank, UNICEF and other donors are prepared to work with the GOJ on developing additional day care support.

Regarding structural impediments to women's further participation in the economy of Jordan, these undoubtedly include high and widespread unemployment, conservatively estimated at 20 percent, and limited industrialization. In addition, the agricultural sector, which has traditionally been an important employer of women, does not play an important role in Jordan's economy, contributing only 8 percent to GDP. Further, Jordan's major exporting industries, the parastatal phosphates, potash, and fertilizers companies, are capital intensive with little demand for female labor.

Basically, Jordan's economy has been unable to fully utilize female, or male, workers. For viable long-term economic growth, absorption of labor by the private sector is clearly the best alternative for fuller employment for both men and women.

By promoting policies leading to more rapid, and equitable, economic growth and expansion of the private sector, the GOJ can increase overall participation in the economy. Such an increase will not, however, occur for women automatically with improvements in Jordan's economy. More must be done.

USAID can contribute to supporting the GOJ's economic reforms, and assuring that women participate more fully in the economy, by supporting improved implementation of policy reforms designed to support increased investment in the manufacturing sector. In recent years this sector has tended to generate 50% of jobs for women. In addition, in the policy area, we plan to work with the Investment Promotion Corporation to identify, through selected studies, those economic policies which may be impeding women's economic opportunities in ways not anticipated by policy-makers.

The Mission will also support increased economic opportunities for women by developing initiatives to support improved access by women to financial services, especially in the areas of increased credit for micro- and small-entrepreneurs. With high female literacy

and an overall high educational level for women in Jordan, coupled with very high female unemployment and decreasing per capita incomes, there is clearly a need and opportunity to support women micro-entrepreneurs. Competent, entrepreneurial women do, in fact, exist in all areas of Jordan. A number of NGOs are working with women on micro-enterprise and small business development. These NGOs have identified the large, unmet credit needs of these women.

4. Other Constraints of Lower Priority to USAID

a. Human Resources: Jordanian businesses note an overall weakness in the quantity and quality of trained personnel at many levels. There is also a tendency for owners and entrepreneurs to either not hire or insufficiently pay skilled supervisors and managers. Instead of providing appropriate compensation, many business owners assume a wide range of responsibility directly. While this approach gives them more "control" of the business, it limits the potential for growth. Although training resources do exist, the quality of such resources is inadequate to meet private sector needs.

Given the relatively low levels of permanent benefits which generally can be attributed to formal training programs, combined with the relatively low anticipated level of USAID funding and the high impact likely in the other areas identified, USAID concluded that human resource results are not the best strategic option for the Mission's Economic Growth Strategic Objective.

b. Access to Export Markets and Technology: Many companies cite a lack of market information and marketing skills which would allow them to more readily enter regional and other foreign markets. Specifically, they mention a lack of experience in undertaking successful marketing programs outside of Jordan. Many also indicate an inability to identify and negotiate with foreign buyers for technology and product know-how. The Jordan Export Development Company (JEDCO) is not well-known; even those who are familiar with it do not believe it can provide them with the level and type of assistance they need. In some instances, the export tax imposed on exports to help support JEDCO is seen as a penalty and disincentive to exports.

While market access is sometimes viewed as a constraint, for the most part Jordanian companies are not competitive due to a lack of know-how and experience which allows them to compete internationally. Before smaller and even medium-sized companies can export successfully, they need to address the much more difficult issues of identifying and understanding what potential buyers are interested in purchasing, and what is required in terms of product quality and cost, product quantities, packaging and consistency. Also, successfully addressing these market and production constraints is unlikely to be accomplished through the large training programs or broadly-based technical assistance programs often favored by donors. It generally requires significant levels of costly, one-on-one assistance in order to be effective and sustainable, a factor which is beyond the reach of USAID's more modest Increased Economic Opportunities Strategic Objective for Jordan.

c. Access to Credit for Larger Businesses: While access to financial services is clearly a constraint to micro- and small-enterprises, the "perceived need" among larger businesses for access to credit is due to poor

financial, operational and marketing management on the part of business owners. These issues need to be addressed before any thought is given to additional financing assistance. Without such change, additional or easier access to financing tends to further inhibit business growth and may even condemn the borrower to insufficient returns or loss on their investment.

Many larger businesspeople also note the lack of what they consider to be reasonable business opportunities for which they would require credit. Thus, credit demand is inhibited by the lack of perceived opportunities to make money in Jordan. While it is believed that financial institutions need to be less conservative regarding establishing sufficient collateral requirements and learning to lend against cash flow, the high risk of doing business in this region is a legitimate reason for Jordanian banks to be especially cautious. Since there is some evidence that a few banks are becoming more aggressive, are training loan officers to analyze credit against cash flow, and are slowly expanding their client base, there may be some limited opportunity to be engaged in this area.

Critical Assumptions

This Strategic Objective is predicated on three critical assumptions:

- The Middle East peace process will continue, with Jordan maintaining a central role;*
- The GOJ will maintain its commitment to structural policy reforms; and*
- The GOJ will continue to support equity objectives that balance the needs of the poor with continued fiscal restraint.*

Based on USAID's understanding of the situation as well as ongoing discussions with partners and customers, these assumptions appear reasonable. The Government of Jordan continues to pursue policies and programs to liberalize its economy in order to continue economic growth through greater investment. The vision for continued reform will be addressed in ERDL III. However, given the rapidly evolving Middle East peace process and the relative fragility of Jordan's recent economic and democratic gains, these assumptions will be monitored on a regular basis and revised if necessary.

Commitment and Capacity of Other Development Partners

The Increased Economic Opportunities Strategic Objective not only complements other donor activities in Jordan; it also provides an important "added-value" to a number of ongoing donor activities. For example, the Strategic Objective supports two important and large World Bank efforts, namely the Economic Reform and Development Loan III (ERDL III) with its emphasis on economic policy reforms; and the Social Productivity Program, with its emphasis on economic opportunity and its promotion of microenterprise finance. Similarly, this Strategic Objective contributes a badly-needed "best practice" experience to a number of ongoing

microenterprise activities in Jordan, most of which have not been nearly as successful as world-wide practice suggests should be the case. As indicated below, the Strategic Objective supports other ongoing donor activity in a variety of ways.

1. Increased Access to Financial Services (IR 5.1)

a. World Bank: The World Bank supports various NGOs, including the Housing and Urban Development Corporation and the Development and Employment Fund which in turn wholesales resources to the Queen Alia Fund, Noor Al Hussein Foundation, General Union of Voluntary Societies (an umbrella organization for about 600 community-based NGOs) and the Near East Foundation. These foundations are active in microbusiness development and income-generating programs, some of which are targeted at women's development and include some limited microfinance activity. The Development Enterprise Fund also provides credit directly to individuals involved in small and microbusiness. In addition, the World Bank finances support programs in education, vocational training and human resource development.

Under its proposed Social Productivity Program, the World Bank plans to provide technical assistance to the micro- and small-business sectors, as well as to develop employment opportunities for the unemployed and employed poor. A portion of its resources will go toward a microfinance effort, although the delivery mechanisms have not yet been determined. The program will also help create small public works using short-term contractual labor, which in turn should aid skills development in poor communities.

While the World Bank clearly provides the bulk of resources that support IR 5.1, their programs typically lack the management intensity provided by USAID. Also, the USAID emphasis on "best practices" -- including ensuring that relevant international experience is brought to bear in Jordan -- fills an important niche, as does the provision of technical assistance in an area in which USAID is regarded as a technical leader. Indeed, an important priority of USAID's agenda under IR 5.1 is to find ways to work with the World Bank to share its experience with the broadest possible number of Jordanian institutions active in micro- and small-business development and finance.

b. United Nations: UNDP has helped improve vocational training through the Vocational Training Center in partnership with the International Labor Organization. It also helped develop an assistance program to micro- and small-enterprises aimed at improving their capability in business and financial planning. UNIFEM is providing limited technical assistance to the GOJ related to both gender issues and microenterprise development, especially related to policy concerns. It is also providing technical support focused on developing women's entrepreneurial skills through the Jordan Women's Business Association.

UNDP's emphasis on vocational training complements USAID's IR 5.1. In particular, it provides support in an area which USAID's own limited resources preclude direct involvement. UNIFEM clearly has some experience on gender issues as they relate to policy dialogue, and USAID will consider their experience in developing the gender-specific results for both IR 5.1 and IR 5.2.

c. Japanese International Cooperation Agency (JICA): Is now financing 50 percent of the costs to establish a new vocational training center and supporting it with technical assistance. The training center's focus will be in welding, metal processing, and machine dye production. It is also funding a study to establish ways to stimulate employment in the southern regions of Jordan.

JICA's program complements USAID's in the sense that JICA's efforts are likely to make an important contribution to vocational training, with trainees in turn emerging as potential entrepreneurs and prospective beneficiaries of microenterprise lending programs. Once again, the Japanese will help fill a training gap that USAID is itself unable to address.

d. Canadian International Development Agency (CIDA): CIDA's support is focused on providing revolving loans, business advisory services and technical assistance support to the Queen Alia Fund, with an emphasis on creating employment for women. It also supports vocational training through the National Council for Human Resource Development. Here too, USAID welcomes other donor involvement in vocational training, an area that USAID is itself unlikely to support. At the same time, CIDA's efforts in business services (including credit) will benefit from USAID's best practices experience.

e. Overseas Development Administration (ODA): Britain's ODA provides \$400,000 annually to NGOs supporting income generation and gender-related programs. It also allocated one million Pounds Sterling to the Ministry of Social Development aimed at capacity building and institutional strengthening, and for technical assistance for a "training the trainer" program at the Queen Zein Al Sharaf Center (a part of the Queen Alia Fund) in business, credit and project management, specifically targeting women. The ODA also provides about JD 400,000 to the Corporation for Development (CD), a local NGO for credit and business services to micro- and small-scale entrepreneurs in animal husbandry, horticulture and medical technology services. Loans under the CD program carry an 11 percent interest rate on declining balances, plus management fees. While ODA's resources are modest, their micro-loan work will benefit from USAID's experience, while their training programs will complement USAID's emphasis on financial service access.

f. Other Foreign Donors: Switzerland, Holland, Sweden and Germany provide technical assistance to a number of microenterprise support institutions such as the Development and Employment Fund (DEF), Queen Alia Fund, and the Noor Al Hussein Foundation.

2. More Effective Implementation of Policy Reform (IR 5.2)

a. World Bank and Japan: The World Bank is in the process of developing its Economic Reform and Development Loan III (ERDL III), which will be funded by the Japanese. The program will assist the GOJ by providing technical assistance for removing anti-export biases, supporting privatization, promoting financial sector reform and helping to streamline Jordan's overall regulatory framework. The World Bank is also planning to support GOJ efforts in strategic planning and investment programs in tourism in 1997.

ERDL III is essential to the successful achievement of USAID's Increased Economic Opportunities Strategic Objective in Jordan. The reforms anticipated under ERDL III are the best single indicator of the GOJ's continued commitment to the economic policy reform process (a critical assumption of this Strategic Objective). Reform areas to be pursued under ERDL III include areas of critical importance to achievement of the USAID Strategic Objective, namely financial sector and business regulation. Other ERDL III concerns such as privatization and export reform may be considered under IR 5.2 if the budget for this Strategic Objective is more than the \$5 million now planned under the "core" program. In addition, USAID's program complements ERDL III in that the focus of USAID will be on effective implementation of policy reform measures that have already taken place, even as the World Bank pursues entirely new areas of reform.

b. European Union (EU): The EU has allocated approximately \$8.75 million over the next three years for private sector expansion. Strategies and implementation details are still being developed. USAID will work closely with the EU to see that the EU program complements what USAID is planning under this Strategic Objective.

Under the European Community Investment Partners Program (ECIP), the EU also provides interest-free advances, up to a maximum of \$312,000, to medium and large enterprises for joint venture projects with the EU. These advances are later converted to grants, loans or equity. The Arab Bank is the local implementing institution. USAID does not foresee assistance along the lines of ECIP, given that our own problem analysis suggests that access to credit is not a critical constraint to enterprises of this size in Jordan.

c. United Nations: UNDP was instrumental in establishing the Jordan Export Development Corporation. It also plans to assist the Investment Promotion Corporation under the auspices of UNIDO in developing investment promotion and marketing strategies. In addition, UNDP has initiated various projects concerned with reforming income tax and customs policy and administrative procedures. The UN will assist the GOJ in improving its budget strategy and planning capabilities. It will also broaden Jordan's international competitiveness by helping the GOJ in their negotiations with the EU and WTO. It will focus on supporting local and foreign investment in Jordan at two levels: first, through UNCTAD in helping the GOJ develop policies to improve the investment climate; and, second, to assist directly in the legal reform of selected commercial laws and codes. It also plans to introduce a computerized system aimed at enhancing, monitoring and reconciling the volume of imports and customs revenues.

The UN's work on export reforms, with a focus on international competitiveness, will complement USAID's policy implementation work with its own emphasis on increased investment and a more efficient Customs authority. USAID's role with the Investment Promotion Corporation and in the general area of investment reform will benefit Jordanian entrepreneurs as well as potential American and other investors and trading partners.

d. Overseas Development Agency: ODA has allocated \$9-11 million during 1995-98 to assist the Government of Jordan in privatizing the telecommunications industry, an area where USAID is not planning to be involved.

Illustrative Activities

1. Increased Access to Financial Services (IR 5.1)

a. Sharing Best Practices: There is a wealth of international experience on micro-finance lending that can be effectively applied to the Jordanian situation. These "best practices" should be introduced to a range of organizations currently active in Jordan, and will serve to improve existing techniques as well as to identify potential candidates for more intensive technical assistance in a later phase. These best practices, once adapted widely in Jordan, will significantly increase overall financial service access, thus contributing to increasing economic opportunities.

b. Donor Coordination: A range of NGOs provide microenterprise credit services in Jordan. There is, however, only an informal exchange of experience among the NGOs themselves as well as among foreign and domestic experts. While the World Bank is providing the bulk of the money in this area, USAID is the lead donor in terms of its technical approach, and the donors (including the World Bank) are anticipating that USAID will shoulder responsibility for coordinating at a technical level so that the "best practices" contributed by USAID can be adapted and applied by other donors and implementing organizations. If USAID can make overall microfinance activities in Jordan more effective in terms of outreach and sustainability, access to financial services should also increase. This in turn should expand economic opportunities for Jordanians throughout the country.

c. Information Systems: Most microfinance institutions do not have information systems that can rapidly indicate the status of portfolio performance. Short-term loans with multiple repayments are generally shown to be the most effective for microenterprises. Also, deposit services are needed in order to make deposits easier to transact, thereby making the deposit funds immediately accessible. If the information systems within the organization do not reflect the immediate situation with any given loan, the loan can become problematic for the lender. An intervention designed to help existing organizations understand the value of an adequate information system, and to assist with the system installation, will improve overall management of microfinance service delivery in Jordan. This in turn should significantly increase access to financial services and expand economic opportunities in a variety of sectors.

d. Assistance to Commercial Banks: The most sustainable way to address many constraints in the development of micro- and small business finance is to fully engage formal financial institutions such as commercial banks. While USAID's involvement in this area will depend to an extent on greater resources than the currently anticipated \$5 million "core" program, the core program will seek to increase the number of micro- and small-entrepreneurs utilizing

the commercial banking system. Beyond identifying and placing these "graduate" repeat borrowers from programs such as SAVE, a number of additional activities are currently under discussion. One approach is to engage top local bank management in order to secure a commitment to micro and small-entrepreneurs. A second is to use mechanisms already at the Mission's disposal such as the Jordan Loan Guarantee Corporation to facilitate movement of high performing entrepreneurs into the formal finance sector. A third approach involves assisting banks directly in developing loan packages, credit cards, and savings instruments that make expanded commercial bank outreach to micro- and small entrepreneurs less costly and more profitable.

2. More Effective Implementation of Policy Reforms (IR 5.2)

a. Assistance to the Investment Promotion Corporation (IPC):

Assistance to IPC would support USAID efforts to eliminate bottlenecks that affect investment. The IPC is starting to make significant strides in this area, although additional support is still needed. Working with the IPC offers several advantages to USAID in Jordan: it has proven to be an effective agency in bringing about improvements in the policy environment; it is legally empowered to work towards the streamlining of government procedures that affect investment; it has demonstrated its ability to work with USAID support; its mandate and existing efforts are concentrated in areas which coincide with, and directly support USAID's Economic Growth Strategic Objective; it enjoys broad private and public sector support; and it already has a good track record in promoting and facilitating investment, both domestic and foreign. If additional funding is forthcoming, USAID could also assist IPC in developing an investment promotion campaign aimed at attracting increased foreign investment in Jordan.

b. Technical Assistance: *USAID has a strong track record of providing technical assistance that is highly targeted, timely and specialized. The Mission will make use of short-term technical assistance where it is requested by Jordanian partners and beneficiaries, and where it contributes to achievement of the Strategic Objective. The Mission will rely primarily on Jordanian expertise, and will only call on American expertise when Jordanian expertise is unavailable or American expertise is explicitly requested. At a minimum, technical assistance beyond that associated with the IPC (discussed above) will consist of survey work to show progress towards achievement of IR 5.2. If the budget for this Strategic Objective is more than \$5 million, some technical assistance could be provided aimed at identifying and promoting potential new policy reform areas.*

c. Non-Governmental Organizations (NGOs): *While work with IPC and technical assistance represent USAID's contribution to policy "supply" through the transmission of ideas, policy "demand" will be mobilized by working with a variety of business associations, trade associations, civic groups and other pressure/advocacy groups that have a special interest in achievement of the results in IR 5.2. USAID will help these groups define the audience for a specific policy message, and the appropriate way to engage that audience. The audience may be the Government of Jordan, commercial banks or other private entities. The manner in which the NGOs engage their audience may consist of informal or formal meetings, seminars, pamphlets or radio messages. This approach should allow USAID to help sustain the policy reform process by better mobilizing local demand for dealing with policy concerns.*

How Sustainability Is To Be Achieved

1. Definition

The Mission will address several sustainability concerns in implementing this Increased Economic Opportunities Strategic Objective, ranging from sustainability of the economic reform process to sustainability of USAID-supported micro-finance institutions.

Perhaps the most important definition of sustainability as it pertains to the achievement of this Strategic Objective is the following:

"Sustainability is the ability of the Jordanian Government and private sector to produce an economic policy reform process that is sufficiently valued by the majority of Jordanians (including the poor), such that Jordan continues its commitment to the reform process."

This definition of sustainability underscores the fact that Jordan's economic reform process will continue if -- and only if -- a majority of Jordanians see the benefits of the reforms in their daily lives. For example, can most Jordanians obtain the financial services they need for their business activities on a continuous basis? Have recent policy reforms been implemented in such a way that they are likely to produce broad-based benefits? How can the Government define a sustainable balance between efficiency concerns on the one hand, and equity concerns on the other? Addressing these questions will contribute to the Mission's sustainability approach.

2. Sustainability of Access to Financial Services

Sustainability is also defined in terms of the best practices USAID contributes to the myriad of donor-supported micro-finance activities in Jordan. SAVE's Group Guaranteed Lending and Savings (GGLS) activity has been more successful in cost recovery than other micro-finance activities in Jordan and the organization has clearly defined goals for attaining overall institutional sustainability. These goals are represented as an indicator under IR 5.1.

3. Sustainability of Pricing Policy and Public Expenditures

GGLS is able to plan for long-term institutional sustainability, in part, because it sets sufficiently high interest rates. Their current effective annual interest rate is over 24 percent. This is part of a broader trend in Jordan in which the market is allowed to set prices. For example, prices for wheat, flour and bread are now set according to international market prices. The Government also is designing a plan to remove itself from the importing of basic foodstuffs such as cereals, sugar, milk and frozen meat.

While these measures were taken to avoid severe budget deficit problems and meet IMF targets, they are part of a pattern that enhances opportunities for USAID's own involvement in helping the GOJ achieve fiscal sustainability. For example, in the environmental sector, market pricing for water use is a key element of demand management, involving a sensitive policy dialogue effort that is now moving forward. In the health sector, while still in the initial consultation stage, health service cost recovery can make available more GOJ resources for preventive health and family planning services, thus supporting achievement of the Mission's Health and Family Planning Strategic Objective.

These far-reaching initiatives support conclusions from the World Bank's recent Poverty Assessment of Jordan, which proposed a number of ways to sharpen the focus and improve the management of the social safety net so as to protect the vulnerable poor more efficiently and effectively. Indeed, these initiatives reflect a Government that is committed to sustaining economic growth by balancing efficiency and equity objectives.

Results Framework and Causal Relationships

Increased economic opportunity is the theme around which this Strategic Objective is built. This will be achieved by increasing access to financial services (IR 5.1) and by more effective implementation of policy reforms (IR 5.2). By simultaneously addressing these critical constraints, a significant number of Jordanian firms that are currently unable or unwilling to invest or expand business operations will be able to do so, thus generating expanded economic opportunities for Jordanians.

Achieving increased economic opportunities will require showing significant results in three areas:

-- First, the number of new businesses registered for both men and women should be increased. Registered businesses are more likely to create jobs for Jordanians than those businesses that remain relatively more informal.

-- Second, the number of micro and small-entrepreneurs who move from NGO-supplied microcredit services to credit and savings services provided by commercial banks needs to be expanded. Greater involvement of commercial banks is essential, both to ensure sustainability and to provide the kind of investment capital needed to expand businesses and increase employment.

-- Third, the extent to which this Strategic Objective is being achieved will be assessed by measuring the increased number of jobs created through the Investment Promotion Corporation (IPC). While the IPC by itself cannot directly ensure drastic reductions in national unemployment rates, it can make a contribution and will provide a sense for the extent to which policy reforms and improved access to capital are making a difference.

Taken together, measurement of smaller businesses making use of commercial bank services, registered businesses that are more formal in nature, and creating jobs through the IPC are significant benchmarks that will reflect a broad yet achievable definition of economic opportunity.

The two Intermediate Results will be achieved through a mix of activities carried out by U.S. Private Voluntary Organizations, U.S. contractors, Jordanian Private Voluntary Organizations, Jordanian Contractors, Jordanian commercial banks, and autonomous organizations such as the Investment Promotion Corporation.

1. Increased Access to Financial Services (IR 5.1)

This Intermediate Result includes activities to increase both the sustainability and the outreach of financial service delivery institutions (outreach here includes an expansion in services offered as well as improvements in the depth and quality of the services offered). Particular emphasis will be given to encouraging repeat borrowers, the best of whom will "graduate" from NGO-provided loan programs and move on to rely on commercial banks for future credit and savings services.

Once these entrepreneurs have access to commercial bank services, they will also have access to a broader range of services than credit alone, the most important of which is savings mobilization. Greater female participation will also be promoted, including increasing the number of women obtaining micro- and small-enterprise credit. Financial sustainability of the SAVE microfinance institution will be achieved by the end of this strategy period, assuring a sustainable mechanism for future outreach to repeat borrowers and women. It is anticipated that the SAVE program will reach full financial sustainability in month 29. By the end of the strategy period, the program will have reached 120 percent financial sustainability with a net income approaching \$19,000 per month. To the extent that USAID's best practices for achieving financial sustainability can be adapted to other NGOs working in Jordan, their results will be measured under IR 5.1 as well.

The "core" program under IR 5.1 focuses on strengthening access to microfinancial services. At the same time, activities under this IR will begin to move the focus beyond NGO-type microfinance institutions and towards the commercial banking sector, where the potential capital for small and microbusinesses far exceeds what the NGOs can achieve acting alone. If additional funds become available for achieving IR 5.1, an additional result will focus on taking further steps to move "graduates" of NGO programs into the commercial banking system as well as establishing dialogue with the commercial banks about instruments they may wish to develop to further encourage smaller entrepreneurs (for example, lower deposit requirements for opening savings accounts, among other possibilities). The Mission cannot have a significant impact on this latter result without additional resources beyond the core program funding.

In further support of IR 5.1 "core" program objectives, the Mission will, once additional funds become available, identify opportunities to provide direct equity to selected micro-lending institutions working in areas of Jordan where access to financial services remain a critical problem for potential microentrepreneurs. Mission resources will focus on selected institutions that have adopted microfinance best practices established under the "core" program activities. The Mission cannot have a significant impact on this result without additional resources beyond the core program funding.

The three results under IR 5.1 that comprise the core program should start to show results immediately, given the fact that the base program (including the SAVE microcredit program) is in place and achieving results, while the additional NGOs contributing to the Mission strategy are already operational as well. Assisting other Jordanian and international microcredit NGOs will allow the Mission to improve overall quality of financial service delivery by increasing NGO capacity to better manage information systems, and to make progress towards financial sustainability.

The World Bank's Social Productivity Program will provide more resources to this area than will USAID. At the same time, USAID will serve as a technical leader in accessing financial services based on its best practices experience in Jordan and around the world. While several donors are engaged in microcredit service delivery, USAID/Jordan has an excellent opportunity to leverage its limited resources to improve other donor/NGO microcredit programs by: (1) introducing more effective management information systems; and (2) adapting USAID's strong methodology for achieving institutional sustainability. As discussed earlier, several other donors will complement USAID's efforts with activities related to vocational training, an area in which USAID will not invest its own scarce resources.

As noted, USAID's focused approach to IR 5.1 led to a Mission decision to complete or cancel several activities which do not contribute significantly to IR 5.1 results. The \$12 million Private Enterprise and Technical Resources Assistance project is completed; the \$10 million Private Services Sector Development activity is mostly completed; the \$10 million Loan Guarantee for Small Enterprise Development is mostly completed; and the \$612,000 in TA support for the Housing Program is mostly completed.

2. More Effective Implementation of Policy Reforms (IR 5.2)

This Intermediate Result derives in part from an assessment of the Mission's now-completed \$29 million Sector Policy Reform Program (SPRP). The assessment concluded that despite important reforms and some initial impacts, a number of implementation issues remain that prevent the reforms from benefiting businesses of all sizes. While the World Bank plays a critical role in supporting the Government of Jordan's ongoing commitment to economic policy reform through its Economic Reform and Development Loan III (ERDL III), USAID cannot now contribute in any large-scale way to the World Bank's policy agenda. Yet the Mission's focus on policy implementation issues complements the Bank's role in new reform areas, and additional funding for this Strategic Objective may present opportunities for further collaboration with the World Bank in a range of new policy reform areas.

Results that comprise the core program under IR 5.2 include greater public knowledge of key economic policy reforms, increased number of firms granted investment incentives, and better training for customs officers in order to perform their duties in a more efficient and transparent manner. If additional funds become available for this result, further work will likely deepen the Mission's contribution to investment promotion. New policy reform areas may be explored such as privatization, competitiveness policy, trade policy and select areas of financial sector reform.

The Investment Promotion Corporation (IPC) was created as a result of a USAID financed SPRP conditionality. Established in 1995, the IPC is financially and administratively independent of the Jordanian Government. It is responsible for marketing Jordan internationally, creating links between national and foreign companies through joint ventures, assisting investors in all stages of the investment cycle and acting as a liaison between investors and other bodies whose services they require.

Collaborating with the IPC offers many advantages to USAID in Jordan. For one, IPC is legally empowered to work towards the streamlining of government procedures that affect investment. It enjoys broad private and public sector support, and it already has a

good track record in promoting and facilitating investment. Last but not least, its mandate and existing efforts are concentrated in areas which coincide with, and directly support, this Strategic Objective. In fact, in 1995 IPC completed its own strategic plan, the "main goal" of which is to create 200,000 jobs over a five-year period.

Whether or not IPC comes close to achieving its goal, it will help the Mission increase economic opportunities by contributing significantly to the number of jobs that are necessary to start reducing the unemployment rate in Jordan over the next five years. More immediately, USAID's assistance to strengthen the IPC will allow IPC to increase the level of overall assets generated by investment incentives. This indicator will provide a proxy for both business growth and increased investment. It will also provide a measure of IPC's day-to-day success in helping investors overcome the burdensome procedures that might otherwise cause investors to give-up and go elsewhere with their ideas and money.

Increasing public knowledge of key economic policy reforms stems from the key SPRP Assessment conclusion, namely that the GOJ has made significant reforms, including some in areas which the broader business community is not yet aware. USAID will consider simple survey methodologies for assessing and increasing overall awareness of key reforms so that more Jordanians may benefit from the reforms and increase their own opportunities for economic advancement.

Since the SPRP assessment found that government awareness campaigns have been especially well received in the past, and respondents remarked that they went a long way towards dispelling the image of obstructionist government, the Mission will discuss ideas for increasing knowledge of reforms with the Government of Jordan. Policies to be assessed under this result may include income tax exemption, business registration and licensing reforms.

Another issue that will be assessed under this result is the level of knowledge on how women contribute to business productivity. Recent reforms in the area of social security and labor have benefited women by allowing them to keep social security earnings when they leave a job and by providing maternity leave without pay for up to one year. Policy implementation for women means taking these reforms to the next step and increasing female participation in the labor force. The survey work under this result will help inform Mission understanding about critical constraints and what needs to be done to help overcome them..

Regarding customs, the Minister of Finance recently endorsed a new program for customs reform. The program entails setting up a permanent training center, streamlining and decentralizing all customs procedures, improving computer and networking systems, and upgrading anti-smuggling and laboratory testing systems at the Customs Department.

As discussed earlier, the myriad of problems associated with the Customs Department are far greater than what USAID can address alone. In cooperation with the IPC, the World Bank and UNDP, however, USAID can play an important role focusing on some of the training needs. Seventy-two percent of Customs employees now have only a high-school education or less. While a new Customs Law is in place, it will not be truly operational or become a part of the institutional culture until the lower-levels of the department are adequately trained. More effective implementation will require this training as a first step towards making Customs more

supportive of increased economic opportunities. Achievement of this indicator will be based on reduced time required for key Customs functions as well as improved attitudes towards their customers, with baseline figures being provided by a soon-to-be-completed study by the IPC.

The result associated with USAID's investment in Customs training, more than any other result in the Increased Economic Opportunities Strategic Objective, will require a longer time horizon to achieve. While training activities will be pursued in years one and two, the results of the training will require a third year to begin measuring how it benefits the department's customers. Yet, in order to effectively direct limited USAID resources towards increasing economic opportunities, customs training is essential and will therefore be pursued with full awareness of the time-lag required to demonstrate the impact of that training.

How Achievement of the Strategic Objective Will Be Judged

The Performance Monitoring Plan (Annex I) and Performance Data Tables (Annex II) for the new Increased Economic Opportunities Strategic Objective are included here. These matrices, taken together, serve to highlight the proposed performance indicators, baseline's and targets which convey the anticipated magnitude or significance of the results. These charts not only serve to explain how USAID will assess achievement of the Strategic Objective, but also serve as an important management tool for the Increased Economic Opportunities Strategic Objective Team in Jordan.

Resource Requirements

The Increased Economic Opportunities Strategic Objective will require, at a minimum, one U.S. Direct Hire (USDH), one U.S. Personal Services Contractor (USPSC), two professional level Foreign Service National (FSN), one administrative level FSN and one secretary. The USPSC will be program funded. As previously discussed, this Strategic Objective will replace the previous Strategic Objective in support of tourism. Thus, the overall personnel requirements for the Mission should not increase due to the new Strategic Objective. As the Mission Operating Expense (OE) requirements already includes the OE funded positions, the overall OE requirements are not changed.

The life of Strategic Objective budget is currently planned at \$25 million, all ESF funds: \$5 million in FY 1997; and \$10 million in each of FY 1998 and FY 1999. If funding is not available at the \$5 million level, the Strategic Objective cannot be realistically achieved and the Mission would not proceed with further design or development. The Mission plans on accessing the Global Bureau PRIME Project for a total of \$500,000 in FY 1997. Further access to PRIME will depend on the final development of the Results Packages. Technical support in the form of microenterprise business and financial service expertise will be requested from USAID/Washington as required throughout the life of the Strategic Objective.

PERFORMANCE DATA TABLE FOR JORDAN SO5

JORDAN			
STRATEGIC OBJECTIVE 5: Increased Economic Opportunities for Jordanians			
Indicator SO5(a): Increased Number of Companies Registered.			
Unit of Measure: Growth rate (%)	Year	Planned	Actual
Source: Central Bank of Jordan Statistical Bulletin	Baseline 1996		0%*
Comments: This indicator measures the growth rate of the number of new business entrants. While not all businesses that register actually start up operations, business registration is a proxy measure for investor optimism. The Mission believes that the baseline year may be uncharacteristically high due to recent policy reforms and has made projections based on more realistic assumptions for growth. Business registration results are to be achieved through improved knowledge of recent business registration reforms and easing registration procedures of investment activities through the Investment Promotion Corporation (IPC). * Baseline growth rate estimated on company registrations through 11/96.	1997	1%	
	1998	1.5%	
	1999	2%	
	2000	2.5%	
	2001	3%	

PERFORMANCE DATA TABLE FOR JORDAN SO5

JORDAN			
STRATEGIC OBJECTIVE 5: Increased Economic Opportunities for Jordanians			
Indicator SO5(b): Increased Number of Micro- and Small-entrepreneurs Utilizing the Commercial Banking System			
Unit of Measure: Number of micro- and small-entrepreneur clients who have obtained at least one loan from a commercial bank and/or have utilized savings services	Year	Planned	Actual
Source: Save the Children (SAVE), Jordan Loan Guarantee Corporation (JLGC), and two microfinance institutions to be identified by the Mission	Baseline 1996		2,908
Comments: SAVE's borrowers are required to save via group savings accounts and most accounts are with the Housing Bank. The two microfinance institutions to be identified by the Mission will receive investment in MIS and targeted technical assistance aimed at instilling microfinance best practices during the first two years of the program. With a grounding in best practices, they will begin to make an impact on this indicator beginning in year three. Actual data for the out years is displayed as followed: Women/Men/Total.	1997	4,560	W/M/T
	1998	6,350	
	1999	7,060	
	2000	8,080	
	2001	8,840	

PERFORMANCE DATA TABLE FOR JORDAN SO5

JORDAN			
STRATEGIC OBJECTIVE 5: Increased Economic Opportunities for Jordanians			
Indicator SO5(c): Increased Number of Jobs Created Through the Investment Promotion Corporation (IPC).			
Unit of Measure: Number of jobs created per year by companies receiving investment incentives	Year	Planned	Actual
Source: Investment Promotion Corporation (IPC)	Baseline 1995		3,482 est.
Comments: Despite GDP growth of 5.6% in 1996, and a labor force participation rate of around 5%, Jordan's economy has not been able to provide adequate economic opportunities for a majority of its citizens. The economy would have to create about 50,000 additional jobs per year rather than the approximately 42,000 jobs per year that are currently being generated in order to reduce Jordan's unacceptably high unemployment rate, presently estimated at an optimistic 20%. While this Strategic Objective will not create the number of jobs that are necessary to drastically reduce the unemployment rate, it is expected that IPC will help increase economic opportunities by contributing significantly to the number of jobs that are necessary to start reducing unemployment on an annual basis. The IPC, however, has stated in its own strategic plan its intention to create 200,000 jobs during the next five year period. Whether or not IPC comes close to achieving this goal, it is expected that IPC will contribute significantly to the additional 8,000 jobs per year required to begin to reduce the unemployment rate. Actual data for the out years is displayed as follows: Women/Men/Total.	1996	3,550	W/M/T
	1997	3,620	
	1998	3,700	
	1999	3,770	
	2000	3,840	
	2001	3,920	

PERFORMANCE DATA TABLE FOR JORDAN SO5

JORDAN			
INTERMEDIATE RESULT 5.1: Increased Access to Financial Services			
Indicator IR 5.1.1: Increased Number of Women Obtaining Micro- and Small-enterprise Credit			
Unit of Measure: Number of micro- and small-enterprise credit clients who are women	Year	Planned	Actual
Source: Save the Children (SAVE), Jordan Loan Guarantee Corporation (JLGC) and two other microfinance institutions to be identified.	Baseline 1996		2,708
Comments: This indicator is intended to convey the "depth" of outreach, in other words, whether credit services are reaching the poor (including women). SAVE lends exclusively to women, however USAID expects that the other microfinance institutions it works with may not necessarily have the same focus towards women. Likewise, JLGC guarantees loans both to men and women.	1997	4,320	
	1998	6,060	
	1999	6,700	
	2000	7,630	
	2001	8,260	

PERFORMANCE DATA TABLE FOR JORDAN SO5

JORDAN			
INTERMEDIATE RESULT 5.1: Increased Access to Financial Services			
Indicator IR 5.1.2: Operational Sustainability of USAID-supported Microfinance Institutions			
Unit of Measure: Percent of operational costs covered.	Year	Planned	Actual
Source: Save the Children (SAVE) for baseline and 1997 / SAVE and other USAID-supported microfinance institutions for out years	Baseline 1996		8%
Comments: Operational sustainability is the microfinance institution's ability to cover non-financial expenses out of program fees and interest. These expenses include salaries, administrative costs, depreciation of fixed assets, and the cost of loan principle lost to default. It is a significant step for microfinance programs and achieving it indicates that operations are generally efficient. Since USAID cannot expect that these other institutions will reach operational sustainability at the same time as SAVE will, projections were made on the basis that SAVE itself only expects to be operationally sustainable (100%) after five years of experience. (SAVE began lending in Jordan using GGLS in 1994 and project operational sustainability in 1999) Therefore, an ultimate goal of 80% operational sustainability after 5 years for all (3) institutions is appropriate given that SAVE will likely be well over 100% and the other two will likely be less than 100% given they will only be beginning to use best practices in 1997 or 1998.	1997	21%	
	1998	40%	
	1999	63%	
	2000	76%	
	2001	80%	

PERFORMANCE DATA TABLE FOR JORDAN SO5

JORDAN			
INTERMEDIATE RESULT 5.1: Increased Access to Financial Services			
Indicator IR 5.1.3: Increased Extent (Scale) of Repeat Borrowers for Micro-Enterprise Finance.			
Unit of Measure: Number of repeat borrowers as a percentage of total cumulative borrowers in USAID-supported micro-enterprise finance institutions	Year	Planned	Actual
Source: Save the Children (SAVE) and two other microfinance institutions to be identified by the Mission.	Baseline 1996		17%
<p>Comments: This indicator conveys outreach, specifically the extent to which repeat borrowers have access to finance. Repeat borrowers are important to track, since the best of them may eventually qualify to receive commercial bank financial services and they contribute to sustainability of the microfinance program.</p> <p>The number of repeat borrowers as a percentage of total cumulative borrowers is expected to grow slowly in the early years due to an influx of first-time borrowers as projected by SAVE's growth and due to the inclusion of the other microfinance institutions whose borrowers will necessarily be first-time.</p> <p>Actual data in the out years is displayed as follows: Repeat women borrowers as a % of total / Repeat men borrowers as a % of total / Repeat borrowers as a % of total borrowers.</p>	1997	19%	%W / %M / %T
	1998	21%	
	1999	26%	
	2000	31%	
	2001	35%	

PERFORMANCE DATA TABLE FOR JORDAN SO5

JORDAN			
INTERMEDIATE RESULT 5.2: More Effective Implementation of Policy Reform			
Indicator IR 5.2.1: Greater Public Knowledge of Key Economic Policy Reforms			
Unit of Measure: Knowledge level of reforms among sampling of small and medium enterprises	Year	Planned	Actual
Source: Annual Survey	Baseline 1996		TBD
Comments: Policies to be assessed for knowledge level include income tax exemption, business registration and licensing and other reforms initiated under the World Bank's ERDL-III program. The recent SPRP assessment found that government awareness campaigns have been especially well received in the past, and respondents remarked that they went a long way towards dispelling the image of obstructionist government. An additional area to be assessed in the survey will be knowledge of how women contribute to business productivity. Recent reforms in the areas of social security and maternity leave, while socially desirable, may negatively impact the way women are viewed by potential employers. The assessment intends to identify the constraints women face in participating in the labor force both in terms of policy and in terms of perception on the part of business owners.	1997	TBD	
	1998	TBD	
	1999	TBD	
	2000	TBD	
	2001	TBD	

PERFORMANCE DATA TABLE FOR JORDAN SO5

JORDAN			
INTERMEDIATE RESULT 5.2: More Effective Implementation of Policy Reform			
Indicator IR 5.2.2: Increased Investments as a Result of Investment Incentives			
Unit of Measure: Increased Investment Expressed in Millions of US Dollars	Year	Planned	Actual
Source: Investment Promotion Corporation (IPC)	Baseline 1996		\$ 492
Comments: Under the law, the IPC is an autonomous agency of the Government which grants incentives to investors, and which is charged with monitoring those companies granted incentives in order to insure compliance. In the Sector Policy Reform Program assessment of Business, 95 percent of the firms rated IPC services as important to business growth in Jordan. This indicator is a measure of both business growth and investment growth. However, this indicator, perhaps more than any other in this strategy, is contingent on the critical assumption that the Middle East Peace Process continues with Jordan playing a critical role. * The exchange rate used for 1996 baseline and projections is US\$/JD = 1.41.	1997	\$ 590	
	1998	\$ 730	
	1999	\$ 940	
	2000	\$ 1,200	
	2001	\$ 1,540	

PERFORMANCE DATA TABLE FOR JORDAN SO5

JORDAN			
INTERMEDIATE RESULT 5.2: More Effective Implementation of Policy Reform			
Indicator IR 5.2.3: Better Trained Customs Officers Perform Duties in More Efficient Manner			
Unit of Measure: Less time associated with the inefficiency of the Customs authority	Year	Planned	Actual
Source: Customs documents (IPC study completed Winter 1997 for baseline information)	Baseline 1996		TBD
<p>Comments: Cumbersome customs procedures continue to undermine Jordan's business and investment climate. Overlapping areas of authority and cumbersome clearance procedures remain in place. Actual commodity appraisal and tariff assessment practices frequently differ from written regulations. Customs officers often make discretionary decisions about tariff and tax applications when regulations and instructions conflict or lack specificity. Delays in clearing customs are routine.</p> <p>The Minister of Finance recently has endorsed a new program for customs reforms. The program entails setting up a permanent training center, streamlining and decentralizing all customs procedures, improving computer and networking systems, and upgrading anti-smuggling and laboratory testing systems at the Customs Department. Since 72% of all customs employees are high-school graduates or less, training will be a critical approach to helping Customs become more efficient and transparent.</p> <p>USAID will provide limited assistance to the training center and will coordinate its assistance with the World Bank, UNDP and other donors.</p>	1997	TBD	
	1998	TBD	
	1999	TBD	
	2000	TBD	
	2001	TBD	

PERFORMANCE MONITORING PLAN FOR JORDAN SO5

Strategic Objective 5: Increased Economic Opportunities for Jordanians

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/ SET DATA QUALITY	EVALUATION METHOD / APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON / OFFICE
1) Increased Number of Companies Registered	Growth rate calculated as the average annual growth rate of the number of companies registered with the GOJ	Central Bank of Jordan Statistical Bulletin / Excellent	Internal database / While not all businesses that register actually start up operations, business registration is a proxy measure of investor optimism	January / Annual	No cost. Public data.	Rula Omeish / Economic Opportunities Office
2) Increased number of micro- and small-entrepreneurs utilizing the commercial banking system	Number of micro- and small-entrepreneur clients who have obtained at least one loan from a commercial bank and/or have utilized savings services	Save the Children, Jordan Loan Guarantee Corporation, and other microfinance institutions to be identified / Excellent	Internal records / Shows how many USAID-supported small and micro-credit clients are utilizing the commercial financial services sector	January / Annual	\$100,000 for MIS investment at other microfinance institutions	PSC, Rula Omeish and Jamal Jabri / Economic Opportunities Office
3.) Increased Number of Jobs Created Through the Investment Promotion Corporation (IPC)	Number of jobs created by businesses whose investment was facilitated by IPC	Investment Promotion Corporation reporting / Excellent	Internal records / Through its follow-up division, IPC will verify the number of jobs created as a result of investment facilitation.	January / Annual		PSC and Rula Omeish / Economic Opportunities Office

PERFORMANCE MONITORING PLAN FOR JORDAN SO5

Strategic Objective 5: Increased Economic Opportunities for Jordanians

Intermediate Result 5.1: Increased Access to Financial Services

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE / SET DATA QUALITY	EVALUATION METHOD / APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON / OFFICE
1) Increased Number of Women Obtaining Micro- and Small- enterprise Credit	Number of micro- and small- enterprise credit clients who are women.	Excellent for JLGC and SAVE; other microfinance institutions may not have capacity to track without investment in MIS.	This indicator captures the "depth" of outreach; in other words, whether credit services are reaching the poor (including women).	January / Annual	Will require significant investment in MIS under the EG SO results package. \$250,000	PSC, Rula Omeish and Jamal Jabri / Economic Opportunities Office
2) Operational Sustainability of USAID-supported Microfinance Institutions	Indicator is % of operational costs covered including salaries, administrative costs, depreciation of fixed costs, and the cost of principle lost to default.	Excellent for SAVE; other microfinance institutions will need to incorporate USAID's best practices before they are ready to attempt this result.	Internal database/ Achieving operational sustainability indicates that a microfinance program is generally efficient at lending and collecting funds.	January / Annual	Costs incorporated under IR 5.1.1 above.	PSC, Rula Omeish and Jamal Jabri / Economic Opportunities Office
3) Increased Extent (Scale) of Repeat Borrowers for Micro- enterprise Finance.	Number of repeat borrowers as a percentage of total borrowers in USAID-supported micro-enterprise finance institutions	Excellent for SAVE; other microfinance institutions may not have capacity to track without investment in MIS.	This indicator conveys outreach; the extent to which borrowers have access to finance and may be candidates for graduation to the commercial banking sector.	January / Annual	Costs incorporated under IR 5.1.1 above.	PSC, Rula Omeish and Jamal Jabri / Economic Opportunities Office

PERFORMANCE MONITORING PLAN FOR JORDAN SO5

Strategic Objective 5: Increased Economic Opportunities for Jordanians
Intermediate Result 5.2: More Effective Implementation of Policy Reform

PERFORMANCE INDICATOR	PRECISE DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE/ SET DATA QUALITY	EVALUATION METHOD / APPROACH	TIMING AND FREQUENCY OF DATA COLLECTION	FUTURE COSTS OF COLLECTING INFORMATION AND SOURCE OF FUNDS	RESPONSIBLE PERSON / OFFICE
1) Greater Public Knowledge of Key Economic Policy Reforms	Knowledge level of reforms among a sampling of small and medium enterprises	Annual Survey / Excellent	Policies to be assessed include income tax exemption, business registration and licensing; including policy and other constraints to women's participation in the labor force.	January / Annual	Annual survey Cost: \$100,000 per year	PSC and Jamal Jabri / Economic Opportunities Office
2) Increased Investment as a Result of Investment Incentives	US dollar value of investments in Jordan of firms who were granted investment incentives by the Investment Promotion Corporation	Investment Promotion Corporation (IPC) / Excellent	Indicator will measure the ability of the IPC to facilitate investment incentives to encourage foreign and domestic investment.	January / Annual	No Cost. This indicator is tracked annually by IPC.	Jamal Jabri / Economic Opportunities Office
3) Better Trained Customs Officers Perform Duties in More Efficient Manner	Less time associated with the inefficiency of the Customs authority	Customs reports and Investment Promotion Corporation (IPC) / Excellent	This indicator is aimed specifically at improving the efficiency of the Customs authority to facilitate both exports and imports.	January / Annual	Annual survey by IPC. Funded by EG SO results package.	Alonzo Fulgham, PSC and Jamal Jabri / Economic Opportunities Office